

**SAN BERNARDINO COUNTY
AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR
INTERNAL AUDITS DIVISION**



**INNOVATION AND TECHNOLOGY DEPARTMENT:
OVERTIME FOLLOW-UP AUDIT**

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This office is committed to serving our customers by processing, safeguarding, and providing information regarding the finances and public records of the County. We perform these functions with integrity, independent judgment, and outstanding service. We are accurate, timely, courteous, innovative, and efficient because of our well-trained and accountable staff.

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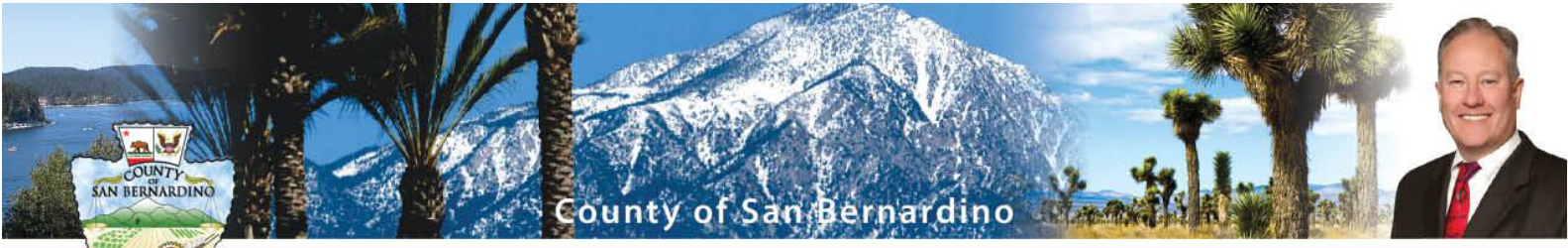
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Innovation and Technology Department: Overtime Follow-up Audit

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June 30, 2022

Larry Ainsworth, Chief Information Officer
Innovation and Technology Department
670 E. Gilbert Street
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RE: Overtime Follow-up Audit

We have completed a follow-up audit of the Innovation and Technology Department’s overtime hours for the period of September 1, 2021, through December 31, 2021. The objective of the audit was to determine if the recommendations for the finding in the Innovation and Technology Overtime audit report, dated June 23, 2021, have been implemented. We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

We have provided a status of the audit finding identified in the original audit report issued on June 23, 2021. The Department has partially implemented the recommendations from the original audit report.

We sent a draft report to the Department on May 19, 2022. The Department’s response to the current status of our recommendations is included in this report.

We would like to express our appreciation to the personnel at the Innovation and Technology Department who assisted and cooperated with us during this engagement.

Respectfully submitted,

Ensen Mason CPA, CFA
Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

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Denise Mejico, CFE
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San Bernardino County Audit Committee

Date Report Distributed: June 30, 2022

EM:DLM:DLS:oac

Scope and Objective

Our audit examined the Department's overtime hours for the period of September 1, 2021, through December 31, 2021.

The objective of this follow-up audit was to determine whether the Department implemented the recommendations contained in the prior audit report, *Innovation and Technology Department: Overtime Audit*, issued on June 23, 2021.

Methodology

In achieving the audit objective, the following audit procedures were performed, including but not limited to:

- Review of Department policies and procedures
- Review of General Memorandum of Understanding 2019-2023 (MOU)
- Review of payroll entries within the County's Employee Management and Compensation System (EMACS)



Prior Finding: On-call and regular hours exceeded daily hours allowed.

The General Memorandum of Understanding 2019-2023 (MOU), Section 2-On-Call Compensation on page 117 states the “employee shall not receive on-call compensation during working hours, during meal/break periods, or during periods where the employee is taking paid time off (e.g., Sick Leave, Vacation Leave, PTO, Administrative Leave, etc.). On-call would begin no earlier than when the employee has left the work site and end upon the employees return to the work site.” Therefore, in no circumstances should the number of hours for on-call combined with regular or paid time off exceed 24 hours, per day.

During our testing of 7,542 employee pay periods, we identified 32 instances where employees coded on-call during working hours or paid time off and exceeded 24 hours in 1 day.

An incomplete supervisory review of time for employee’s on-call hours can result in employees being paid in violation of the guidelines established in the MOU. When MOU guidelines are not followed, employees may receive overpayments.

Recommendation:

We recommended management and supervisors review the MOU guidelines regarding on-call compensation and communicate these guidelines to employees. Additionally, we recommended supervisors who approve time, closely review their employees’ time entries for employees with on-call compensation. We further recommended the Department coordinate with the Human Resources Department to determine how to make the necessary payroll adjustments.

Current Status: Partially Implemented

The Department management and supervisors reviewed the MOU guidelines regarding on-call compensation and communicated these guidelines to employees on October 20, 2021. Additionally, the Department coordinated with the Human Resources Department to make the necessary payroll adjustments, resulting in the recovery of \$261 in overpaid On-Call pay identified in the prior audit. However, during our testing of 1,836 employee pay periods, we identified 5 instances where employees recorded time using the “On Call” time reporting code during working hours or paid time off and exceeded 24 hours in 1 day.



Management's Response:

ITD plans to have its payroll staff regularly run the report that identifies instances where employees recorded time using the "On Call" time reporting code during working hours or paid time off that exceeded 24 hours in 1 day. Any errors will be corrected immediately via payroll adjustments, and individualized training will be conducted for the specific employee(s) and approving supervisor(s) in the effort to reach a department error rate target of 0% for on-call and paid time off EMAC's entries.

Auditor's Response:

The Department's planned actions will correct the deficiencies noted in the finding.