

COUNTY OF SAN BERNARDINO  
AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR  
INTERNAL AUDITS SECTION

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INNOVATION AND TECHNOLOGY DEPARTMENT:  
OVERTIME AUDIT

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AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR  
268 WEST HOSPITALITY LANE  
SAN BERNARDINO, CA 92415-0018  
(909) 382-3183

WEBSITE: [WWW.SBCOUNTY.GOV/ATC](http://WWW.SBCOUNTY.GOV/ATC)

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## **Audit Team**

**Denise Mejico, CFE**  
Chief Deputy Auditor

**Menaka Burkitt, CFE**  
Internal Audits Manager

**Steven Ems, CIA**  
Supervising Internal Auditor III

**Dominic Palencia**  
Internal Auditor III

# **Innovation and Technology Department: Overtime Audit**

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**Auditor–Controller/Treasurer/Tax Collector**

**Ensen Mason CPA, CFA**

*Auditor–Controller/Treasurer/Tax Collector*

**Douglas R. Boyd Sr., ESQ.**

*Assistant Auditor–Controller/Treasurer/Tax Collector*

**Tori Roberts CPA**

*Assistant Auditor–Controller/Treasurer/Tax Collector*

June 23, 2021

Larry Ainsworth, Chief Information Officer  
Innovation and Technology Department  
670 East Gilbert Street  
San Bernardino, CA 92415-0915

RE: Overtime Audit

We have completed an overtime audit of the Innovation and Technology Department for the period of July 1, 2019 through June 30, 2020. The primary objective of the audit was to determine if overtime hours have been properly recorded by the Department's employees. 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 identified a procedure that could be improved. We have listed this area for improvement in the Audit Finding and Recommendations section of this report.

We sent a draft report to the Department on June 3, 2021 and discussed our observation with management on June 9, 2021. The Department's response to 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

By:

Denise Mejico, CFE  
Chief Deputy Auditor

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Date Report Distributed: June 23, 2021

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## Summary of Audit Results

The table below summarizes the audit finding and recommendations for this audit engagement. For further discussion, refer to the *Audit Finding and Recommendations* section of this report.

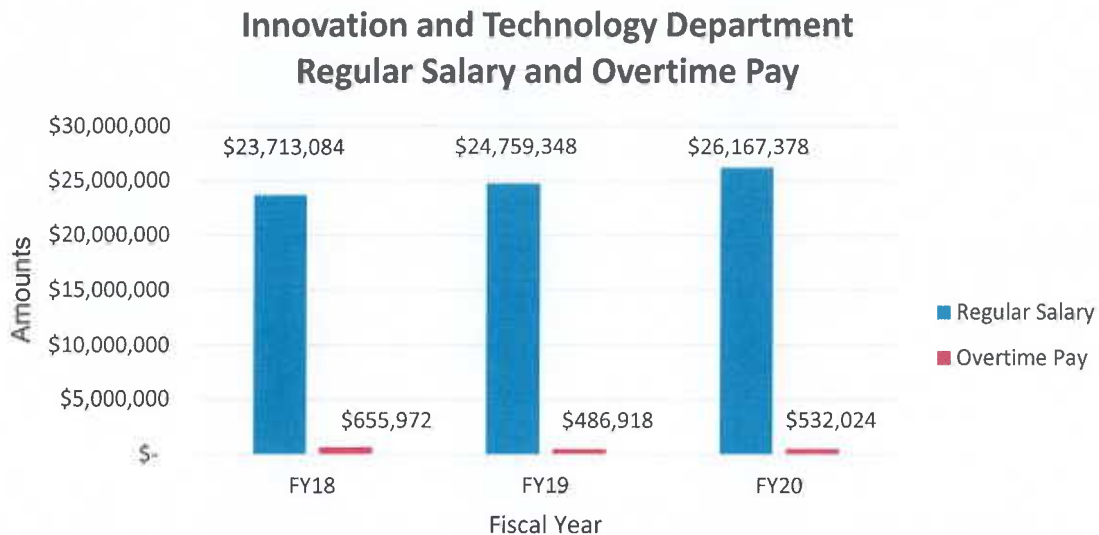
Finding and Recommendations	Page No.
<p><b>On-call and regular hours exceeded daily hours allowed.</b></p> <p>We recommend management and supervisors review the MOU guidelines regarding on-call compensation and communicate these guidelines to employees. Additionally, we recommend supervisors who approve time closely review their employees' time entries for employees with on-call compensation. We further recommend the Department coordinate with the Human Resources Department to determine how to make the necessary payroll adjustments.</p>	7

## OVERTIME AUDIT

### The Department

The Innovation and Technology Department's (Department) mission is to provide a secure, stable, and scalable infrastructure while supporting business solutions that improve processes and services enabling departments and agencies to accomplish the vision of San Bernardino County. The Department supports and maintains the hardware and software that drives all aspects of daily business. The Department is divided into the following divisions: Geographical Information Systems/Multimedia, Computer Operations, Telecommunication Services, and Business Solutions Development.

Below is a chart of regular salary and overtime pay for the Department's employees for the past three fiscal years. The information was provided by the Department's Administration.



The chart shows that over the last three fiscal years overtime pay has remained relatively consistent in relation to total salary expenses for the year. Overtime is primarily used by the Department during abnormal or unanticipated workload situations and is driven by obligation to meet the County's initiatives, goals, objectives, customer service, and emergency information technology requests. A total of 345 employees coded hours during the audit period, of those 345 employees, 199 recorded overtime.

## Memorandum of Understanding

The County of San Bernardino recognizes several different bargaining units for separate employee classifications. Each of these bargaining units negotiate wages, hours, and other terms for the employees under their unit. The agreement of the County and each bargaining unit is written in a Memorandum of Understanding (MOU). The Department's employees eligible for overtime fall under the General MOU (2019-2023) and the Professional Unit MOU (2020-2024).

The General and Professional MOUs define overtime as all hours actually worked in excess of 40 hours a work period or, in the case of the Supervisory and Management Units, 80 hours during a pay period. For purposes of overtime, paid leave time, excluding sick leave, shall be considered as time actually worked; provided, however, that for employees in the Supervisory and Management Units, time spent attending conferences, seminars and training programs shall not be considered as time actually worked.

Additionally, both MOUs state that overtime shall be reported in increments of full 15 minutes and is non-accumulative and non-payable when incurred in units of less than 15 minutes. Overtime shall not affect leave accruals.



### **Scope and Objective**

Our audit examined the Department's overtime hours for the period of July 1, 2019 through June 30, 2020.

The objective of our audit was to determine if overtime hours have been properly recorded by Innovation and Technology Department employees.

### **Methodology**

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

- Review of Department policies and procedures
- Interview and walk-through of the time approval process with Department staff to identify controls in place over overtime
- Review of Memorandums of Understanding (MOU)
- Review of a sample of payroll entries within the County's Employee Management and Compensation System (EMACS)
- Recalculation of overtime for selected pay periods based on related MOU guidelines

**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.

**Recommendations:**

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

**Management’s Response:**

Management agrees with the finding and will require that management and supervisors review MOU guidelines regarding on-call compensation and review these guidelines with employees. The need to closely review employees’ on-call compensation time entries will be discussed with all managers and supervisors. The Department will coordinate with the Human Resources Department to make the necessary payroll adjustments for the incorrect entries identified by the audit.

**Auditor’s Response:**

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