

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

Background

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

[Government Auditing Standards](#) do not cover follow-up reviews. However, the County Auditor endeavors to apply the principles of the Standards to follow-up activities. The County Auditor's follow-up work is informed especially by the principles articulated in the following key standards: evidence; documentation of auditor's work; communication with an audited entity; reporting of audit work to those charged with management and governance; and auditor professional judgment. The County Auditor employs a risk-based approach to follow-up work. The County Auditor requires verification of the implementation status for all recommendations that are initially reported by management to be *implemented*. The County Auditor does not perform verification work to confirm the status of recommendations originally reported to be *partially implemented* or *not implemented*. However, in some cases recommendations originally reported by management to be implemented may be changed to a lower implementation status based on the County Auditor's review. All determinations shown in the "Status" column were made by the County Auditor.

Summary

This report presents the results of the County Auditor's Fire Department Overtime audit follow-up, completed in May 2022. The report contained 23 recommendations.

Implemented	18/23	
Partially Implemented	5/23	Recommendations 1.5, 1.9, 1.10, 1.12 2.4
Not Implemented	0/23	

Of the 23 recommendations, 18 have been fully *implemented*. For implemented recommendations no more follow-up work will be performed. The remaining five recommendations are *partially implemented*. Since January 2022, ACFD has completed implementation for Recommendation 3.1, and has converted all three of the previously *not implemented* recommendations (1.9., 1.10, and 1.12) to *partially implemented*.

Closing Note:

The County Auditor appreciates the time and cooperation of the Fire Chief and other members of the ACFD staff provided during the follow-up review. This follow-up report is being provided to members of the Arlington County Fire Department, the County Board, and the Audit Committee. The report will be issued publicly on the County Auditor's webpage on May 31, 2022.

A handwritten signature in black ink, appearing to read "CH Horton", written in a cursive style.

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

RECOMMENDATION	EXPECTED COMPLETION DATE	STATUS	MANAGEMENT DISCUSSION	COUNTY AUDITOR'S DISCUSSION (IF NEEDED)
<p><i>Recommendation 1.1:</i> 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.</p>	<p>October 2021</p>	<p>Implemented</p>	<p>The Fire Department (ACFD) revised a compensation policy that segregates duties within ACFD's payroll process. Command Aides review and fix (officially set) the work and pay codes on each shift roster. The Battalion Chiefs verify and authorize any changes after the roster is fixed. The Timekeeper (Management Specialist) finalizes the roster for the pay period. The HR Liaison (HR OD Specialist) reviews exception reports and notifies Deputy Chief of Personnel Services of errors or issues. All payroll changes after finalization requires battalion or deputy chief authorization. The additional Management Specialist hired in Q1/FY22 is serving as an additional Timekeeper due to the increased workload with implementing the reduction of workweek initiative (Kelly Days)</p> <ul style="list-style-type: none"> • A.55 Compensation Policy: Sections 3.7, 5.7 	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>
<p><i>Recommendation 1.2:</i> TeleStaff should be reconciled to PRISM on a periodic basis. Significant discrepancies should be evaluated and resolved in a timely manner.</p>	<p>October 2021</p>	<p>Implemented</p>	<p>The Public Safety TeleStaff Administrator worked with the Human Resources Department to identify a report by employee through PRISM. This report will</p>	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>

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			<p>allow for TeleStaff and PRISM records to be manually reconciled by the Timekeeper and HR Liaison. Presently, there presently no automated process available. The Timekeeper evaluates this report during the processing of each pay cycle. The Timekeeper manually reconciles TeleStaff and PRISM with the HR Liaison (HR/OD Specialist) providing oversight. Any anomalies are reported and reviewed by the HR Timekeeper and the Deputy Chief of Personnel Services. ACFD will continue to explore ways to automate the reconciliation process within the public safety departments.</p> <ul style="list-style-type: none"> • A.55 Compensation Policy: Sections 3.7, 5.7, 5.8 	
<p><i>Recommendation 1.3:</i> 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</p>	<p>October 2021</p>	<p>Implemented</p>	<p>System and staffing access are authorized by the Deputy Chief of Personnel Services. ACFD Staffing Dashboard has daily TeleStaff system status reports. Deputy Chief of Personnel Services performs seasonal access audits as stated in fire department</p>	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>

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periodically to ensure risks are managed appropriately.			compensation policy. TeleStaff system access audit was completed in October. <ul style="list-style-type: none"> • A.55 Compensation Policy: Sections 5.9.3 • ACFD Staffing Dashboard (Fire Chiefs Office) 	
<i>Recommendation 1.4:</i> 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.	October 2021	Implemented	A first session risk and control session with all uniformed officers covering time and code entry into TeleStaff was conducted during officer development training on 9/14-16/2021. The new Timekeeper (Management Specialist) completed training regarding controls and segregation of duties during Q3 2021. Deputy Chief of Personnel Services checks compliance with mandatory and annual refresher training for individuals who have access and responsibilities in the payroll process. <ul style="list-style-type: none"> • A.55 Compensation Policy: Sections 5.9.4 	County Auditor confirmed implementation. No additional follow-up is required.
<i>Recommendation 1.5:</i> ACFD should explore automating some staffing processes in TeleStaff, such as leave approvals and awarding overtime.	March 2022	Partially Implemented	Automating leave approvals and out-bounding call back to award overtime is a goal for 2022 after the implementation of the Kelly Day schedule. PSIT has installed the needed automation components within the public safety TeleStaff instances. The Sheriff's	

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			Office is testing outbouding. ACFD TeleStaff team is monitoring and will begin parallel testing during Q1 2022.	
<i>Recommendation 1.6:</i> 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.	April 2021	Implemented	PSIT has mirrored ACFD's TeleStaff database on a secure SQL server. ACFD has numerous reports available for monitoring staffing parameters on ACFD Staffing Dashboard. Automated daily reports and triggered alerts are established. PRISM data is unavailable on the PSIT Data Warehouse.	County Auditor confirmed implementation. No additional follow-up is required.
<i>Recommendation 1.7:</i> ACFD should integrate more TeleStaff codes into PRISM so allow for better reporting on overtime costs.	January 2020	Implemented	Codes have been implemented and are working well.	County Auditor confirmed implementation. No additional follow-up is required.
<i>Recommendation 1.8:</i> 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.	June 2020	Implemented	A PSIT workgroup coordinates how ACFD, ACPD and Sheriff utilize TeleStaff. A sub-group including HR Payroll has been meeting for weeks to modify TeleStaff and test PRISM for Kelly Day implementation. The Northern Virginia Fire Chief Committee has created an Administrative Chiefs Committee to coordinate management, fiscal, policy, and procurement services. This sub-committee is sharing time and attendance tracking ideas.	County Auditor confirmed implementation. No additional follow-up is required.

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<p><i>Recommendation 1.9:</i> 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.</p> <p>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.</p>	January 2020	Partially Implemented	The system that was to be used has been discontinued by Microsoft. A new solution has not been implemented at this time. In addition, staffing cuts have not allowed for segregation of duties for invoice creation and payment receiving. ACFD and ACPD utilize a manual system for invoicing overtime worked during special events. Both departments will evaluate a joint invoicing process. Long term, the PRISM upgrade may provide this functionality.	
<p><i>Recommendation 1.10:</i> 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.</p>	2022	Partially Implemented	Planning had started for this recommendation considering costs of consumables, vehicle usage, and planning fees. Due to an extended state of emergency (pandemic), this has been put on hold.	

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<p><i>Recommendation 1.11:</i> 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.</p>	<p>January 2020</p>	<p>Implemented</p>	<p>ACFD relies upon the Metropolitan Washington Council of Governments Fire Mutual Aid Operations Plan (MWCOG MAOP) for regional reimbursements. In addition, the Virginia Department of Emergency Management Assistance Compact (EMAC) has provisions for state-to-state resource reimbursements. With these regional automatic and mutual aid agreements in place, it is not common practice in emergency services to request reimbursement. ACFD has a MOU with Virginia Department of Emergency Management (VDEM) to recover costs after state-wide deployment of the ACFD Water Rescue Team.</p> <ul style="list-style-type: none"> • VDEM and ACFD Water Rescue Team MOU 	<p>County Auditor confirmed implementation. No additional follow-up is required.</p> <p>Note: In this case ACFD did not create a policy that it will not seek reimbursement on mutual aid request. However, the Fire Chief confirmed that his policy is not to seek reimbursement for such requests, and that all potential reimbursement requests for mutual aid would have to go through him. Given this circumstance, and the fact that ACFD has demonstrated implementation of the recommendation to codify reimbursement practices in areas where reimbursement <i>would</i> be sought, the County Auditor concluded that the risk underlying this recommendation has been adequately mitigated as long as the current fire chief is in place.</p>

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<p><i>Recommendation 1.12:</i> 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.</p>	2022	Partially Implemented	See 1.10	
<p><i>Recommendation 2.1:</i> 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.</p>	January 2020	Implemented	See 1.7	County Auditor confirmed implementation. No additional follow-up is required.
<p><i>Recommendation 2.2:</i> 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.</p>	May 2022	Implemented	Throughout the budget processes for FY 2021, FY 2022, and continuing in FY2023, discussions have been made regarding this recommendation. Some adjustments have been made to shift some overtime budget to overtime callback budget.	County Auditor confirmed implementation. No additional follow-up is required.

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<p><i>Recommendation 2.3:</i> 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.</p>	<p>June 2021</p>	<p>Implemented</p>	<p>During Q2 FY21, the Health, Wellness, and Safety Office was expanded from one to five officers to assist with workload. One officer manages injuries, light duty, and workers compensation claims. Light duty levels are correlated with overtime expenditures on the ACFD Staffing Dashboard. Injuries and vehicle accidents are investigated in cooperation with Risk Management.</p> <ul style="list-style-type: none"> • ACFD Staffing Dashboard (Fire Chiefs Office) 	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>
<p><i>Recommendation 2.4:</i> 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.</p>	<p>October 2021</p>	<p>Partially Implemented</p>	<p>ACFD has reviewed and evaluated staffing of civilian roles and will be making some adjustments through attrition. With several civilian retirements during Q2 FY22, the department will reclassify positions as the department employs more technology, applies automation, and optimizes administrative processes. ACFD is working with HR for job analysis and reclassifications. These roles will be filled from Q3 FY22 through Q4 FY22.</p>	

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<p><i>Recommendation 2.5:</i> 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.</p>	September 2021	Implemented	<p>ACFD has considered a staffing study and has decided to rely on the internal accreditation team for deployment analysis. ACFD is completing the community risk assessment phase of a multi-year accreditation initiative. The next phase in the accreditation model is developing a standard of cover delivering station, unit, and staffing recommendations. This report should be completed during Q3 of Fiscal Year 2021. ACFD updated policy F.8 Emergency Service Staffing to address converting units when certain minimum staffing qualifications are not available. These staffing efficiencies reduce the need to pay additional overtime for paramedics when FF/EMTs are available on the shift roster. Reduction of workweek initiative with incorporating Kelly Days is almost complete with a target of 1/16/2022.</p> <ul style="list-style-type: none"> • F.08 Emergency Services Staffing Policy: Section 5.2 	County Auditor confirmed implementation. No additional follow-up is required.
<p><i>Recommendation 3.1:</i> ACFD should create a formal monitoring mechanism to ensure compliance with the policy that limits shifts to 60</p>	October 2021	Implemented	TeleStaff alerts occur when employees work greater than 60 consecutive hours.	County Auditor confirmed implementation. No additional follow-up is required.

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hours and requires a six-hour rest period before an individual can begin another shift.			Deviation on a conditional basis requires senior leadership approval. <ul style="list-style-type: none"> F.08 Emergency Services Staffing Policy: Section 5.5.3. 	
<i>Recommendation 3.2:</i> 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.	May 2021	Implemented	A review with regional partners shows policies consistent with 36-48 hours consecutively worked with a 12-hour break. A review of professional organizations (IAFC, IAFF, NVERS, etc.) finds that several departments have 48-60-hour policies and some that go to 72 hours. After careful evaluation, the ACFD policy is safe at 60 consecutive hours with six hours of rest. There are additional controls for scheduled or callback overtime (special events, ECC, etc.). <ul style="list-style-type: none"> F.08 Emergency Services Staffing Policy: Section 5.5.3. 	County Auditor confirmed implementation. No additional follow-up is required.
<i>Recommendation 3.3:</i> ACFD should evaluate ways to tighten their sick and leave policies to ensure better control over misuse of sick leave.	May 2021	Implemented	The department updated the Leave Policy to comply with sick leave usage as stated in ACG Administrative Regulation 2.7. The Deputy Chief of Emergency Services performs quarterly reviews with the battalion management team to audit leave usage	County Auditor confirmed implementation. No additional follow-up is required.

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			<p>and approvals. Automated and consolidated reporting tools are available as referenced in Recommendation 1.6.</p> <ul style="list-style-type: none"> • A.32 Leave Policy: Sections 2.1, 2.2, 3.1. • ACFD Staffing Dashboard (Fire Chiefs Office) 	
<p><i>Recommendation 3.4:</i> ACFD should create a clear definition of "short notice" in SOP A.32.</p>	<p>May 2021</p>	<p>Implemented</p>	<p>ACFD defined the term short notice.</p> <ul style="list-style-type: none"> • A.32 Leave Policy: Section 2.2.6. 	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>
<p><i>Recommendation 3.5:</i> ACFD should create a departmental policy or procedures regarding processes to monitor overtime, possibly in association with Recommendation 3.6.</p>	<p>October 2021</p>	<p>Implemented</p>	<p>Deputy Chief of Emergency Services is responsible for the effective and efficient staffing of personnel providing EMS, fire, and rescue services. The Battalion Management Team has delegated authority to schedule activities, approve leave, assign personnel to minimize overtime, reduce mandatory holdovers, and provide equitable distribution of callback overtime. PSIT has connected TeleStaff cloud services to provide near real-time overtime status and an updatable series of reports to track and manage overtime.</p> <ul style="list-style-type: none"> • F.08 Emergency Services Staffing Policy - Section 4.4. 	<p>County Auditor confirmed implementation. No additional follow-up is required.</p>

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<p><i>Recommendation 3.6:</i> 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.</p>	October 2021	Implemented	<ul style="list-style-type: none"> • ACFD Staffing Dashboard (Fire Chiefs Office) <p>The Fire Department implemented two comprehensive policies to address time, attendance, and compensation processing. These policies interface Emergency Services and Personnel Services through staffing and placement of personnel in shift overtime positions to verifying, importing, and correcting payroll entries.</p> <ul style="list-style-type: none"> • A.55 Compensation Policy: Section 5. See recommendations 1, 2, and 4. • F.08 Emergency Services Staffing Policy: Section 5.5.2. See recommendation 3. 	County Auditor confirmed implementation. No additional follow-up is required.