



# Audit of Dallas Police Department Overtime – Interim Report

September 10, 2021

Mark S. Swann, City Auditor

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## Executive Summary

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### Objective and Scope

The audit objective of this interim report was to determine whether any unusual employee overtime usage indicates waste or abuse at the Dallas Police Department.

The scope of the audit was uniform and civilian overtime from October 1, 2018 to December 31, 2020.

The Office of the City Auditor will issue a full report in the first quarter of Fiscal Year 2022 that includes the objective of whether the Dallas Police Department manages overtime in a way that limits the financial and operational impact to Department service delivery objectives.

### What We Recommend

No recommendations were identified.

### Background

During the audit period of October 1, 2018 to December 31, 2020, The City's payroll system shows that the Dallas Police Department incurred a total of 1,305,750 overtime hours, and the City of Dallas paid a total of \$78,695,699 in overtime pay to both uniform and civilian Dallas Police Department employees. In addition, during the same period, Dallas Police Department uniform employees earned 316,166 hours of compensatory time with an estimated cost to the City of \$13,848,954.

According to the Dallas Police Department, overtime peaks in Fiscal Year 2020 and Fiscal Year 2021 are due to civil protests, natural disasters, and COVID-19. Over 1,200 officers were personally impacted by COVID-19 from March 2020 to February 2021.

### What We Found

Interviews with Dallas Police Department unit supervisors and a review of supporting documentation for a judgmental sample of 339 overtime and compensatory time transactions showed:

- There was an overtime card for 260 of 339 transactions, or 76.7 percent.
- Of the 260 transactions that had a card, 257, or 98.9 percent were properly requested.
- Of the 257 transactions that were properly requested, 206, or 80.2 percent were approved by an appropriate supervisor.
- Of the 206 transactions that were approved by an appropriate supervisor, 151, or 73.3 percent had supporting documentation.
- Of the 151 transactions with supporting documentation, zero looked suspicious in terms of waste or abuse.

## Objective and Conclusion

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1. Was there any unusual employee overtime usage that indicates waste or abuse at the Dallas Police Department during the audit period of October 1, 2018 to December 31, 2020?

**No.** Interviews with Dallas Police Department unit supervisors and a review of supporting documentation for a judgmental sample of 339 overtime and compensatory time transactions showed:

- There was an overtime card for 260 of 339 transactions, or 76.7 percent.
- Of the 260 transactions that had a card, 257, or 98.9 percent were properly requested.
- Of the 257 transactions that were properly requested, 206, or 80.2 percent were approved by an appropriate supervisor.
- Of the 206 transactions that were approved by an appropriate supervisor, 151, or 73.3 percent had supporting documentation.
- Of the 151 transactions with supporting documentation, zero looked suspicious in terms of waste or abuse.

See [Appendix A](#) for more information about overtime procedures at the Dallas Police Department.

## Appendix A: Background and Methodology

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### Background

As of September 30, 2020, there were a total of 3,656 employees at the Dallas Police Department. This number includes a total of 3,149 uniform employees.

[Exhibit 1](#) below illustrates the Dallas Police Department's staffing levels in Fiscal Year 2019 through Fiscal Year 2021, broken down by employee classification (uniform and civilian).

#### Exhibit 1:

##### Dallas Police Department Staffing Levels: Uniform Employees

Fiscal Year	Authorized	Year Begin	Year End
Fiscal Year 2019	3,094	3,028	3,067
Fiscal Year 2020	3,053	3,067	3,149
Fiscal Year 2021	3,095	3,149	3,095

##### Dallas Police Department Staffing Levels: Civilian Employees

Fiscal Year	Authorized	Year Begin	Year End
Fiscal Year 2019	762	571	550
Fiscal Year 2020	761	550	507
Fiscal Year 2021	856	507	651

During the audit period of October 1, 2018 to December 31, 2020, The City's payroll system shows that the Dallas Police Department incurred a total of 1,305,750 overtime hours, and the City of Dallas paid a total of \$78,695,699 in overtime pay to both uniform and civilian Dallas Police Department employees. In addition, during the same period, Dallas Police Department uniform employees earned 316,166 hours of compensatory time with an estimated cost to the City of \$13,848,954.

### Overtime Trends

[Exhibit 2](#) below illustrates the Dallas Police Department's overtime expenditures in Fiscal Year 2019 through Fiscal Year 2021, broken down by employee classification (uniform and civilian). According to the Dallas Police Department, overtime peaks in Fiscal Year 2020 and Fiscal Year 2021 are due to civil protests, natural disasters, and COVID-19. Over 1,200 officers were personally impacted by COVID-19 from March 2020 to February 2021.

**Exhibit 2:**

Overtime Trends: Uniform Employees – General Fund

Fiscal Year	Budget	Actual	Variances		Overtime Hours	Compensatory Hours Earned
Fiscal Year 2019	\$25,631,301	\$30,060,429	\$4,429,128	17%	463,078	142,113
Fiscal Year 2020	\$26,497,894	\$33,134,326	\$6,636,432	25%	500,162	136,730
Fiscal Year 2021	\$17,284,425	*\$34,799,348	\$17,514,923	101%	**	**

Overtime Trends: Civilian Employees – General Fund

Fiscal Year	Budget	Actual	Variances	Overtime Hours	
Fiscal Year 2019	\$2,243,415	\$2,764,950	\$521,535	23%	86,361
Fiscal Year 2020	\$2,327,071	\$3,276,055	\$948,984	41%	101,165
Fiscal Year 2021	\$3,659,615	*\$3,384,487	(\$275,128)	-8%	**

**Notes:** \* Fiscal Year 2021 actual data in the charts above are projections.

\*\* Overtime and compensatory hours earned time entry for the complete Fiscal Year 2021 are not within the audit scope period.

Dallas Police Department Overtime Procedures

Uniform Dallas Police Department employees ranked Captain and below are eligible to receive compensation of 1.5 times their regular rate of pay for any time worked in excess of 40 hours per work week after the deduction of only sick leave and leave without pay taken during the same work week.<sup>1</sup> Uniform Dallas Police Department employees ranked Captain and below are also eligible to earn compensatory time (instead of overtime pay) at 1.5 times for every hour worked in excess of 40 hours per week.

Non-exempt civilian Dallas Police Department employees are eligible to receive compensation of 1.5 times their regular rate of pay for any time worked in excess of 40 hours per week after the deduction of all leave taken during the same work week except for holiday leave, mandatory city leave, and court leave.<sup>2</sup> Non-exempt civilian Dallas Police Department employees are not eligible to earn compensatory time. Different approaches to calculating overtime hours for uniform and civilian personnel at the Dallas Police Department are illustrated in [Exhibit 3](#) on page 4:

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<sup>1</sup> Dallas City Code § 34-19 (a) (3)

<sup>2</sup> Dallas City Code § 34-17 (b)

**Exhibit 3:**

Overview of Overtime or Compensatory Leave Earned for Uniform and Civilian Employees

Type of Work	Counts as Time Worked for Overtime or Compensatory Leave Earned		Non Exempt Employee Example in Hours	
	Uniform	Civilian	Uniform	Civilian
Regular Hours	✓	✓	38	38
Holiday Leave	✓	✓		
Court Leave	✓	✓		
Mandatory City Leave	✓	✓		
Vacation Leave	✓	✗	16	16
Compensatory Leave	✓	✗		
Attendance Incentive Leave	✓	✗		
Military Leave	✓	✗		
Death-in-family Leave	✓	✗		
Approved Leave With Pay (Excused Absence)	✓	✗		
Approved Leave Without Pay (Excused Absence)	✗	✗		
Sick Leave	✗	✗		
<b>Hours Paid for Week</b>			54	54
<b>Hours Worked for Computation of Overtime Pay or Compensatory Leave Earned</b>			54	38
<b>Overtime Hours Earned</b>			14	0
<b>Compensatory Leave Earned (instead of overtime pay for uniform only)</b>			21	0

**Source:** Office of the City Auditor

### Overtime Request, Authorization, and Recording

Most overtime at the Dallas Police Department is unplanned and therefore does not require a formal pre-authorization. Only planned overtime is usually part of a crime fighting initiative or grant funded overtime. Dallas Police Department employees must record all overtime or compensatory time earned by the employee's next work day. The majority of Dallas Police Department employees record overtime manually on handwritten overtime cards (pink) and compensatory time on compensatory (white) cards.

Employees are required to write down the following information on the cards:

- Name
- Badge number
- Date and time overtime was worked
- The reason for overtime
- Employee signature

Employees' supervisors then must review and sign the cards. At some Dallas Police Department units, employees record their overtime and compensatory time, and supervisors approve it electronically in the Intelligent Workforce Management system (IWM).

Daily attendance records are maintained on manual timecards and detail sheets and in a city-wide payroll system, Workday, depending on the unit the officer is assigned to. Prior to the end of a bi-weekly payroll period, Dallas Police Department employees or designated timekeepers (such as first level supervisors and station sergeants in the Patrol Division) enter time worked by each employee into the city-wide payroll system Workday. Dallas Police Department employees or designated timekeepers enter payroll codes and hours into Workday and use overtime cards, compensatory cards, and entries in IWM as a source of information about how many hours of overtime (or compensatory time) an employee worked and what activity an employee performed on overtime during the pay period. All entries in Workday must be approved by Dallas Police Department payroll managers (usually unit commanders) prior to payroll processing.

## Dallas Police Department Efforts to Minimize Overtime

According to the Dallas Police Department, the following procedures to minimize overtime have been initiated:

- Supervisors review overtime records to ensure that overtime was justified.
- Supervisors can alter work schedules of their employees to avoid overtime.
- Supervisors monitor their employees' total work hours to make sure that a total of regular time worked, overtime, and off duty employment is limited to 16 hours per 24 hour period and 112 hours per work week.
- The Chief's Office and unit commanders have performed budget versus actual comparisons of overtime hours and a review of the reasons for excessive overtime.
- A number of KPMG recommendations were implemented to optimize staffing and limit overtime to 140 hours per week per station.
- Civilian to uniform employee ratio was increased.
- Additional staff were hired for the 911 Communications Unit.

## Methodology

To accomplish our audit objectives, we interviewed key personnel, analyzed payroll records, and reviewed applicable documentation. The risk of fraud, waste, and abuse was also considered along with all five internal control components of *Standards for Internal Control in Federal Government*.

This performance audit was conducted 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 upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## Major Contributors to the Report

Lina Wang, CPA – In-Charge Auditor  
Anatoli Douditski, MPA, CIA, ACDA – Engagement Manager  
Yzalida Hiley, MBA  
Shino Knowles, CPA



# Appendix A: Management's Response

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## Memorandum



**DATE:** September 10, 2021  
**TO:** Mark S. Swann – City Auditor  
**SUBJECT:** Response to the Audit of Dallas Police Department Overtime – Interim Report

This letter acknowledges the City Manager's Office and the Dallas Police Department received the *Audit of Dallas Police Department Overtime – Interim Report*.

The City of Dallas, including the Dallas Police Department, maintains high standards for employee ethics and takes allegations of fraud, waste, and abuse seriously. We are pleased that the interim audit report found no instances of waste or abuse, or suspicious overtime transactions.

The Dallas Police Department believes their numerous internal controls for recruiting and maintaining an ethical workforce contributed to the auditor's finding there to be no instances of waste or abuse, including:

- Conducting rigorous background checks on potential employees;
- Requiring officers to complete a minimum of 40 hours of continuing education biennially, including an ethics component; and
- A robust Internal Affairs Division that takes allegations of officer misconduct seriously.

However, as the City of Dallas seeks excellence in our processes, the Dallas Police Department will continue to look for opportunities to improve the overtime process, including the possibility of future technology enhancements that can further strengthen the efficiency and consistency of the process.

Sincerely,



T.C. Broadnax  
City Manager

C: Kimberly Bizer Tolbert, Chief of Staff  
M. Elizabeth Reich, Chief Financial Officer  
Jon Fortune, Assistant City Manager  
Eddie Garcia, Chief of Police

"Our Product is Service"  
Empathy | Ethics | Excellence | Equity