

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

608



**FROM:** Auditor-Controller

**SUBMITTAL DATE:**  
October 31, 2014

**SUBJECT:** Overtime Monitoring Report for: Department of Mental Health, Department of Public Social Services, Probation Department, Riverside County Fire Department, Riverside County Information Technology, Riverside County Regional Medical Center, and Sheriff's Department. [All Districts][\\$0]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Receive and file Overtime Monitoring Report for: Department of Mental Health, Department of Public Social Services, Probation Department, Riverside County Fire Department, Riverside County Information Technology, Riverside County Regional Medical Center, and Sheriff's Department.

**BACKGROUND:**

**Summary**

We have completed the monitoring report that was initiated by the Auditor Controller's Office with the intent of informing the Board of Supervisors, management, and Riverside County citizens of  
(Continued on page 2)

*Paul Angulo*  
Paul Angulo, CPA, CGMA, MA  
County Auditor-Controller

Departmental Concurrence

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	Consent <input checked="" type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	

**SOURCE OF FUNDS:** N/A

**Budget Adjustment:** No  
For Fiscal Year: n/a

**C.E.O. RECOMMENDATION:**

APPROVE

BY: *Samuel Wong*  
Samuel Wong

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

- Positions Added
- Change Order
- A-30
- 4/5 Vote

**Prev. Agn. Ref.:**

**District:** ALL

**Agenda Number:**

2-17

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11: Overtime Monitoring Report for: Department of Mental Health, Department of Public Social Services, Probation Department, Riverside County Fire Department, Riverside County Information Technology, Riverside County Regional Medical Center, and Sheriff's Department [All Districts] [\$0]**

**DATE:** October 30, 2014

**PAGE:** Page 2 of 2

**BACKGROUND:**

**Summary (continued)**

significant transactions and trends. This report on overtime includes the Department of Mental Health, Department of Public Social Services, Probation Department, Riverside County Fire Department, Riverside County Information Technology, Riverside County Regional Medical Center, and Sheriff's Department. These departments were selected because they incurred overtime cost in excess of \$1 million for fiscal year ending June 30, 2014. The goal of this monitoring report is to raise awareness that opportunities exist for significant cost avoidance with improvements in management oversight and controls over overtime. The data was neither benchmarked to other agencies or surveys nor subject to audit procedures. Therefore, we do not offer an opinion or conclusion on the information therein.

**Impact on Citizens and Businesses**

Provide information on significant transactions and trends occurring in County Government.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

Not applicable

**ATTACHMENTS:**

A: Overtime Monitoring Report for: Department of Mental Health, Department of Public Social Services, Probation Department, Riverside County Fire Department, Riverside County Information Technology, Riverside County Regional Medical Center, and Sheriff's Department.



**COUNTY OF RIVERSIDE**  
OFFICE OF THE  
AUDITOR-CONTROLLER

County Administrative Center  
4080 Lemon Street, 11<sup>th</sup> Floor  
P.O. Box 1326  
Riverside, CA 92502-1326  
(951) 955-3800  
Fax (951) 955-3802



**Paul Angulo, CPA, CGMA, MA**  
AUDITOR-CONTROLLER

October 31, 2014

Board of Supervisors

**Subject: Overtime Monitoring Report for: Department of Mental Health, Department of Public Social Services, Probation Department, Riverside County Fire Department, Riverside County Information Technology, Riverside County Regional Medical Center, and Sheriff.**

Honorable board members:

The Riverside County Office of the Auditor-Controller monitors a wide range of payments made to vendors and employees. The Auditor-Controller monitors county finances and maintains the integrity of the county's "checkbook." As a result, the Auditor-Controller has initiated a monitoring program with the intent of informing the Board of Supervisors, management, and Riverside County citizens of significant transactions and trends.

This report includes the Department of Mental Health, Department of Public Social Services, Probation Department, Riverside County Fire Department, Riverside County Information Technology, Riverside County Regional Medical Center, and Sheriff. We selected these departments because they reported overtime costs greater than one million dollars for the fiscal year ending June 30, 2014. Expenditures from the county's financial system were compiled and forwarded to the departments for a written response. We requested reasons for the use of overtime, protocol to approve the overtime and if they have identified ways to reduce the use of overtime. Their responses are included in the attached report.

This report was prepared to highlight the use of overtime and other temporary labor to provide services to County of Riverside residents. The data was neither benchmarked to other agencies or surveys nor was it audited. Therefore, we do not offer an opinion or conclusion on the information herein.

Overtime is a management response for when demand for services exceed the available staff. It can be a more cost effective response than establishing staffing levels to meet peak demand without overtime. Temporary labor increases, including overtime, are a short-term solution when increased demand for service is temporary, seasonal, or cyclical. The usefulness of overtime diminishes as increased workloads become permanent. Studies have documented that employees lose their mental edge and productivity diminishes when working excessive overtime as well as increased illnesses and injuries related to longer work hours. When these effects materialize, it becomes costlier for an organization to operate and hiring new staff becomes more cost effective. Additionally, long-term overtime may help obscure fraudulent overtime.

In their responses, the departments address the reasons for incurring overtime costs including legislative mandates, and operational inefficiencies. Solutions to address the increased service demands and reduce overtime were provided by the departments, which include the reduction

of vacancy rates by hiring new staff, developing a more efficient process, training existing staff and obtaining new tools to help streamline processes.

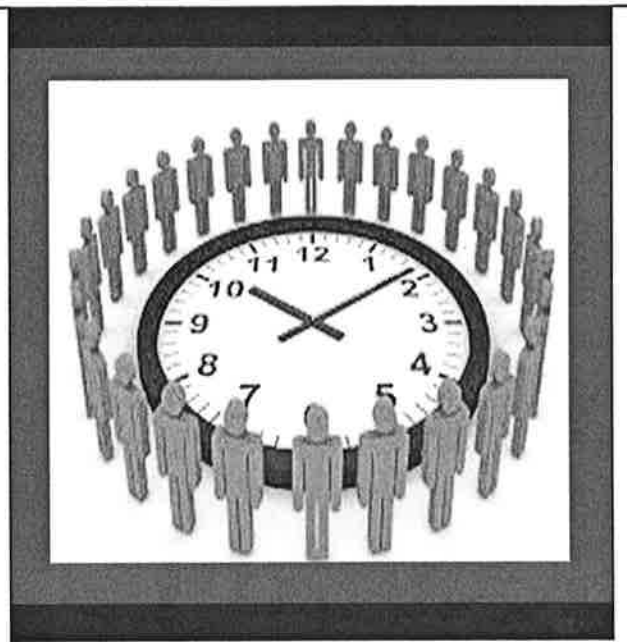
As stewards of the citizens' money, operating efficiently and avoiding unnecessary expenses should be a primary concern for all government agencies. We encourage county departments' to evaluate their overtime cost and assess any potential risk that may arise from its use.

Paul Angulo, CPA, CGMA, MA  
County Auditor-Controller



By: Mark Cousineau, CPA, CIA, CFE  
Chief Internal Auditor

cc: Board of Supervisors  
Executive Office  
District Attorney  
Grand Jury



## Overtime Monitoring Report

- Department of Mental Health
- Department of Public Social Services
- Probation Department
- Riverside County Fire Department
- Riverside County Information Technology
- Riverside County Regional Medical Center
- Sheriff's Department

**Internal Audit**

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## **EXECUTIVE SUMMARY**

Department of Mental Health (DMH), Department of Public Social Services (DPSS), Probation Department (Probation), Riverside County Fire Department, Riverside County Information Technology (RCIT), Riverside County Regional Medical Center (RCRMC), and Sheriff's Department combined overtime was \$74.4 million for fiscal year ending June 30, 2014, without including per diem expense. RCRMC's and DMH's per diem expense was an additional \$18.5 million, for a combined total of \$91.9 million overtime and per diem expense for these departments for the fiscal year.

## **INTRODUCTION**

The Riverside County Office of the Auditor-Controller (Auditor-Controller) monitors a wide range of payments made to vendors and employees. The Auditor-Controller also provides assurance that sound checks and balances are in place through the internal audit function. It is the Auditor-Controller's duty to monitor county finances and maintain the integrity of the county's "checkbook." The Auditor-Controller initiated a monitoring program with the intent of informing the Board of Supervisors, management, and Riverside County citizens on a regular basis of significant transactions and trends.

Reasonable and necessary expenditures for overtime and substitute labor enables the County to continue to provide services despite labor shortages due to vacancies, leaves, changed mandated service levels, and operational and seasonal workload spikes. Appropriate overtime is a cost-effective response to short-term labor shortages or spikes in service demands as compared to hiring additional employees. The employer pays only the overtime premium and avoids benefit costs for each additional hour of labor obtained up to the total annual benefit cost for the position. However, long-term overtime and substitute labor, or uncontrolled uses of overtime represent significant risks of increased direct and indirect costs.

Costs include unnecessary or unreasonable overtime that may have been avoided through management control activities such as pre-approval of overtime, adjusting staffing levels to service demand levels, regular management monitoring of overtime, and informing and communicating management's objectives regarding cost control and service delivery to all employees. In addition, long-term overtime may help obscure fraudulent overtime.

Other costs from long-term use of overtime to address staffing issues include increased employee turnover, reduced employee productivity, increased workers' compensation costs, and increased litigation costs. High turnover rates combined with short employment tenures can increase recruitment, background, training costs, and affect continuity of operations. Operating and legal costs may increase due to employee errors or omissions arising from fatigue that leads to avoidable additional services, personal injury claims, and employee injuries.

The following report presents the reported overtime departments have incurred for the last five fiscal years.

## **SCOPE**

Seven Riverside County departments with reported overtime cost in excess of more than \$1 million were selected for this monitoring report. The selected departments are presented in alphabetical order and included herein are Department of Mental Health (DMH), Department of Public Social Services (DPSS), Probation Department (Probation), Riverside County Fire Department, Riverside County Information Technology (RCIT), Riverside County Regional Medical Center (RCRMC), and Sheriff's Department.

New in this year's report are estimates of base and overtime hours. Base hours consist of a standard work year of 2,080 work hours. A standard work year includes regular hours worked, as well as vacation, sick, and other leaves taken by employees. Overtime worked, is time worked in excess of base hours. The labor hour data, for the period July 1, 2013 to June 30, 2014, was compiled using the county's human resource system.

Expenditure data from the county's financial system was compiled and the information forwarded to the departments. Each department was asked to provide a written response detailing the reasons for the use of overtime, protocol to approve overtime and if they have identified ways to reduce the use of overtime. Their responses are included in the report.

## **ASSUMPTIONS AND LIMITATIONS**

The cost data was compiled using the county's financial system. With the cost data of RCRMC and Mental Health, per diem cost was included in the overtime cost compilation for the purpose of also monitoring its incurred cost. This cost data was assumed to have been incurred to hire temporary medical staff to meet the demand for medical care. Further, all overtime expenditures were included in this report as recorded in the County PeopleSoft financial accounting system.

This report was compiled for reporting and information purposes only. The information was not benchmarked or compared to any statistical national averages nor did Internal Audit perform an audit on the departments' reported overtime for compliance with labor units' MOUs, county ordinances, or assess for operational inefficiencies. Thus, the responses provided by each of the departments in this report were included as presented by each respective department.

## **CONCLUSION**

The Auditor-Controller's Office will continue monitoring reported overtime on an as needed basis, and will report as warranted with the intent of making this information visible and available to the Board of Supervisors, management and Riverside County citizens.



**DEPARTMENT OF MENTAL HEALTH**

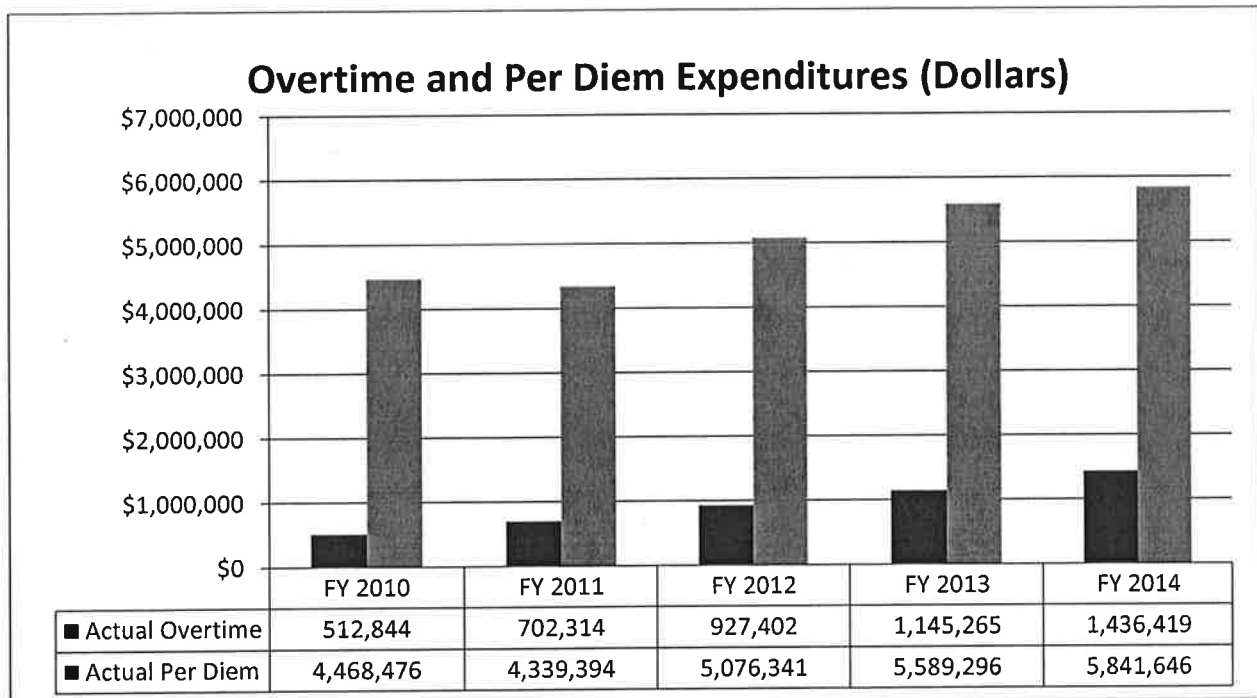
Department of Mental Health (DMH) has developed services that involve the latest innovations in clinical practices affecting mental health. The department has a dedicated professional team of approximately 1,000 employees consisting of Psychiatrists, Clinicians, Peer Specialists, and paraprofessionals who serve over 45,000 consumers annually through three major programs which include Mental Health Services, Substance use Services and the Public Guardian’s Office.

For the period of July 1, 2013 through June 30, 2014, the County’s human resources information system reported 2,414,733 base hours worked by DMH staff. Base hours consist of a standard work year of 2,080 work hours. A standard work year includes regular hours worked, as well as vacation, sick, and other leaves taken by employees. Overtime worked, time worked in excess of base hours, was 21,172 hours for DMH. Department of Mental Health’s overtime rate, the ratio of overtime hours to base hours was 0.87 percent.

In fiscal year 2014, DMH reported expenditures for labor of \$109,400,456. \$7,278,065 of that amount is expenditures for overtime and per diem. The following section looks at the Department of Mental Health’s overtime and per diem expenditures over a five-year period.

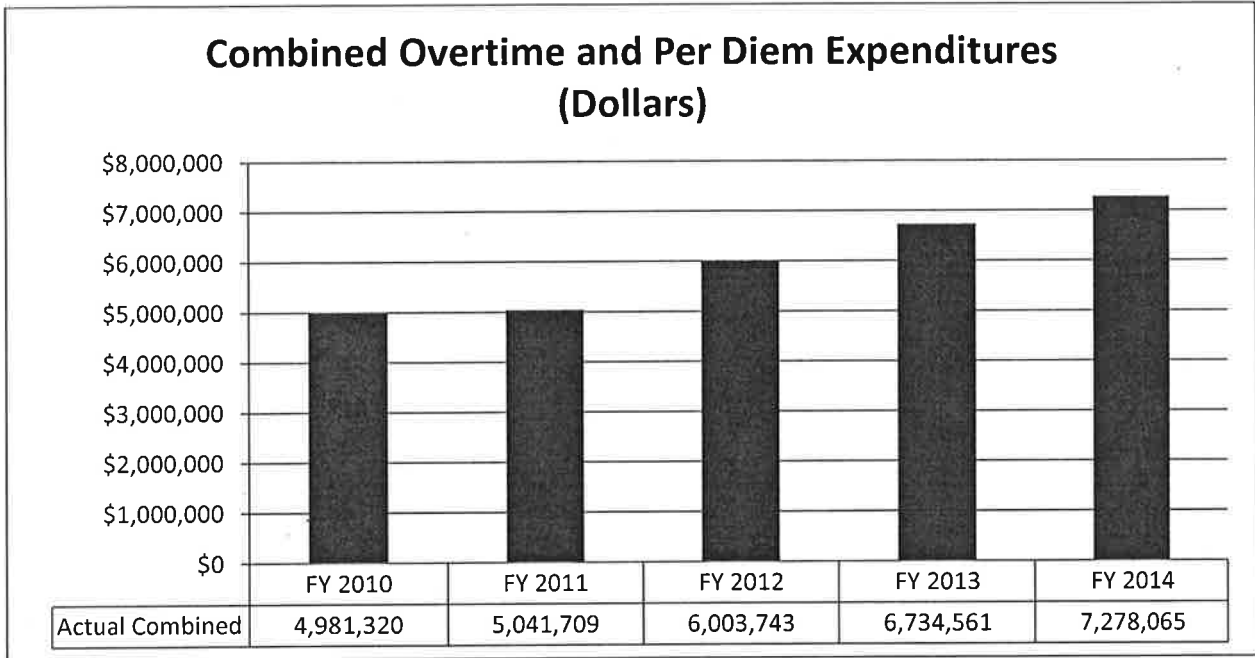
Summary of overtime expenditures for the last five fiscal years:

*Graph 1. Mental Health’s overtime and per diem expenditures in dollars*



Graph 1 above illustrates five-years of overtime expenditures incurred by the Department of Mental Health. The department shows progressive increases in overtime expenditures over the five-year period with a 46.1% total increase from 2010 to 2014 (refer to graph 2).

*Graph 2. Mental Health's combined total of overtime and per diem expenditures in dollars*



The total overtime to total labor cost is illustrated in table 1 below.

*Table 1. Mental Health's total overtime cost to total labor cost in dollars*

<b>Total overtime cost to total labor cost in dollars (includes all benefits and labor taxes paid)</b>					
<b>Cost</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Per-Diem</b>	4,468,476	4,339,394	5,076,341	5,589,296	5,841,646
<b>Overtime</b>	512,844	702,314	927,402	1,145,265	1,436,419
<b>Total Labor</b>	77,621,571	83,780,134	90,183,070	95,078,840	109,400,456

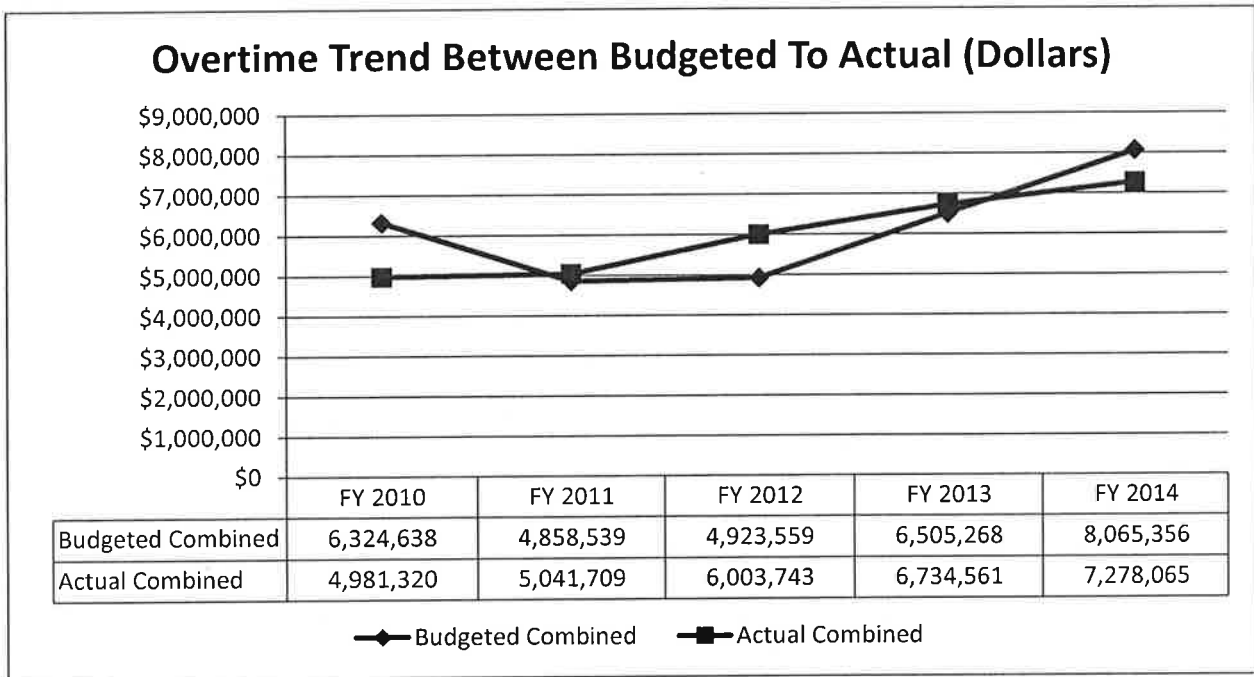
The total overtime cost to total cost of regular salaries is illustrated in Table 2 below.

Table 2. Mental Health's overtime cost to regular salaries cost in dollars

Total overtime cost to regular salaries cost in dollars (only includes regular salaries)					
Cost	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Per-Diem	4,468,476	4,339,394	5,076,341	5,589,296	5,841,646
Overtime	512,844	702,314	927,402	1,145,265	1,436,419
Regular Salary	48,321,278	51,817,327	54,579,255	58,888,363	68,029,940

Comparison between budgeted and actual overtime cost is shown in graph 3 below.

Graph 3. Mental Health's comparison between budgeted overtime expenditures vs. actual overtime expenditures in dollars



Department of Mental Health's response to overtime inquiry:

Most of the amount reported is actually for employees that have elected to be in the per diem classification. These positions do not earn overtime. Of the remaining amount actually incurred as "overtime", most is for Psychiatrist positions whose overtime is paid at straight rates, not the traditional overtime time and a half rate. Additionally, the preponderance of the overtime amount reported is in positions that are difficult to recruit such as Psychiatrists, Clinical Therapists, and

Nurses. The difficulty in recruiting these positions due to industry-wide candidate shortages has resulted in the department's use of overtime by permanent employees or utilizing the per diem classification.

There are some programs such as those located in the County Jails where difficulty recruiting and an extensive background check has resulted in the usage of traditional overtime.

Guidelines for overtime are covered through DMH Policy 326 which requires overtime to be pre-approved by the supervisor or manager. All overtime and the reason for the overtime is approved by the supervisor on the employee's time sheet. All overtime in excess of 16 hours per employee, per pay period, is reviewed by the Director or Assistant Director via an exception report. In addition, Human Resources provides a quarterly report to management that details the number of overtime hours by employee. Annually, the manager shall evaluate the need and directly seek approval for overtime routinely in excess of 16 hours per employee by classification and by per pay period.

The department continually reviews the usage of different employee classifications and the amount of hours each of our employees work. Despite some progress in filling positions over the last few years, the department still has a large number of vacancies due to a shortage of candidates; therefore the department anticipates the continued usage of overtime and per diem accounts.

**DEPARTMENT OF PUBLIC SOCIAL SERVICES**

Department of Public Social Services (DPSS), with several offices spread throughout the Riverside County, is comprised of more than 3,800 employees who work collectively and in partnership with community-based organizations to serve the needs of the community.

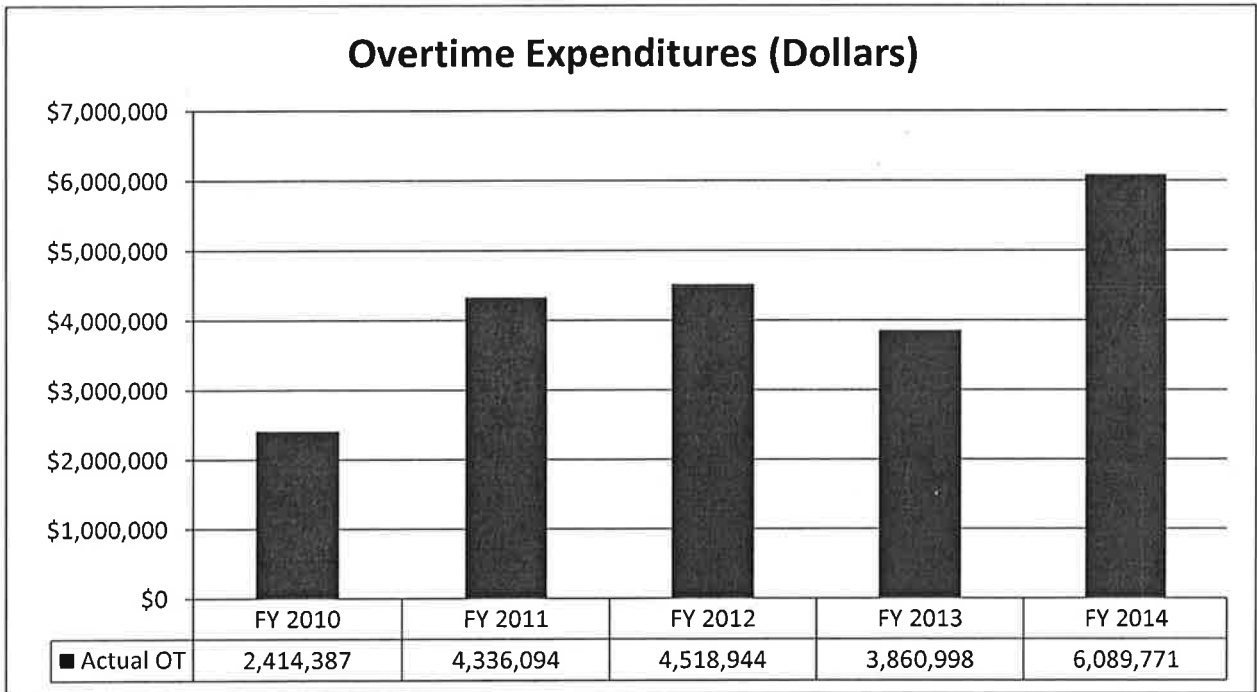
For the period of July 1, 2013 through June 30, 2014, the County's human resources information system reported 7,216,674 base hours worked by DPSS staff. Base hours consist of a standard work year of 2,080 work hours. A standard work year includes regular hours worked, as well as vacation, sick, and other leaves taken by employees. Overtime worked, time worked in excess of base hours, was 205,367 hours for the department. Department of Public Social Services overtime rate, the ratio of overtime hours to base hours was 2.85 percent.

In fiscal year 2014, DPSS reported labor expenditures of \$264,740,225. Overtime expenditures were \$6,089,771 of that amount. The following section looks at the Department of Public Social Services' overtime expenditures over a five-year period.

Summary of overtime expenditures for the last five fiscal years:

Graph 4 below, illustrates five-years of overtime expenditures incurred by DPSS.

*Graph4. DPSS's overtime expenditures*



The total cost of overtime to the total cost of labor is illustrated in table 3.

Table 3. DPSS's total overtime cost to total labor cost in dollars

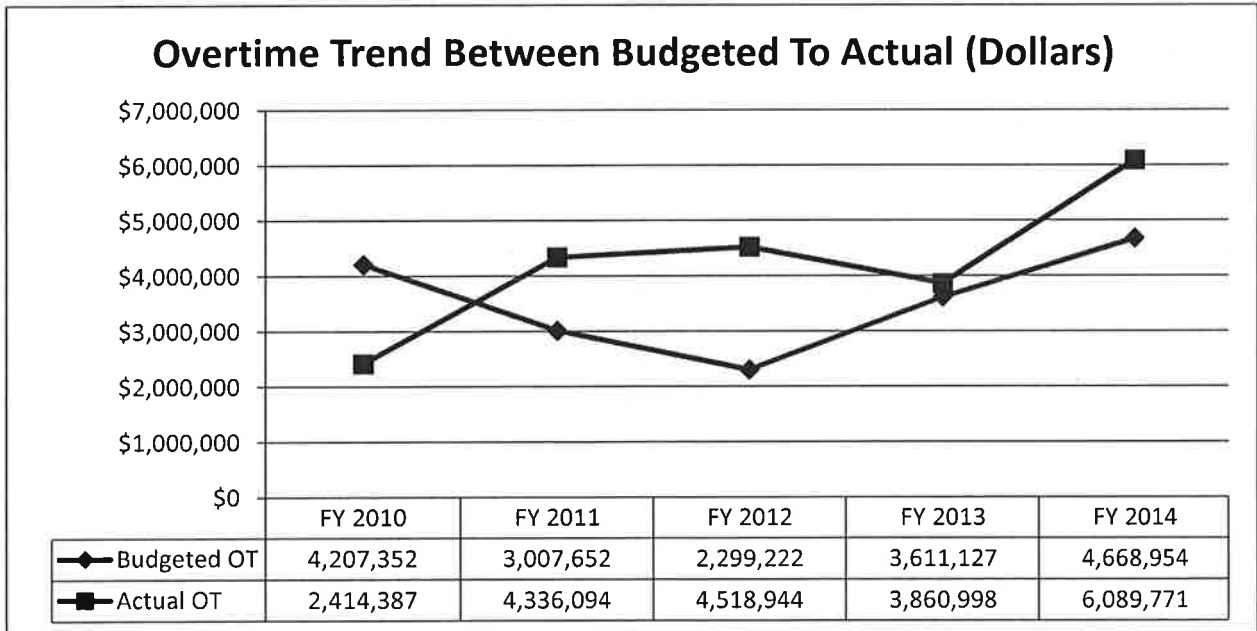
<b>Total overtime cost to total labor cost in dollars (includes all benefits and labor taxes paid)</b>					
Cost	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Overtime	2,414,387	4,336,094	4,518,944	3,860,998	6,089,771
<b>Total Labor</b>	<b>214,331,010</b>	<b>225,207,857</b>	<b>238,649,158</b>	<b>244,205,312</b>	<b>264,740,225</b>

The total overtime cost to total cost of regular salaries is illustrated in table 4.

Table 4. DPSS's overtime cost to regular salaries cost in dollars

<b>Total overtime cost to regular salaries cost (only includes regular salaries data)</b>					
Cost	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Overtime	2,414,387	4,336,094	4,518,944	3,860,998	6,089,771
<b>Regular salary</b>	<b>139,639,468</b>	<b>142,008,435</b>	<b>148,355,262</b>	<b>154,937,498</b>	<b>165,271,848</b>

Graph 5. DPSS's comparison between budgeted overtime expenditures vs. actual overtime expenditures in dollars



DPSS's response to overtime inquiry:

The Department of Public Social Services (DPSS) requires program management to review and justify all requests for extended overtime. Justification can include new workload mandates, regulatory changes, or recruitment and retention issues. Overtime utilization is monitored and controlled through periodic reporting of expenditures. Budgetary impacts of overtime utilization are reviewed monthly with Department Executives.

For the referenced period, the Department continued to experience significant caseload growth including; Medi-Cal 37.9%; Foster Care 17.0%; Adult Protective Services 15.9%; In-Home Support Services 11.7%; Child Welfare Services 8.5%; CalFresh 4.8%; Adoption Assistance Program 4.1% and CalWORKs 2.0%.

In the Medi-Cal program, implementation of the Affordable Care Act (ACA) provisions required additional resources to effectively manage the increased workload related to caseload growth, procedural changes, business process changes, and issues related to the California Healthcare Eligibility Enrollment, and Retention System (CalHEERS).

Also during this time period, regulations for the Foster Care program expanded to cover children through the age of 21 (previously 18). This regulatory change increased the caseload for social service and foster care workers, affected case management processes, required additional reporting, and modified claiming processes.

Double-digit attrition has also contributed to higher utilization of overtime for workload coverage. For the referenced period, annualized department attrition was 11%. This resulted in approximately 665 new permanent positions joining the department. Coupled with internal promotions and transfers, there is approximately 400 recruitments in process at any given time. Departmental recruitment activities are operating at a maximum level within the limitations on space, training resources and personnel processes. Additionally, we have formed workgroups in Children Services and Self-Sufficiency to focus on recruitment and retention of staff, recognizing that we may be able to reduce some of the attrition by further refining our hiring practices and better understanding the factors (such as compensation and workload) that are influencing staff to leave.

However, it is also important to put the use of overtime in context. The amount of overtime paid represents less than 4% of our total salary expenditures.

In summary, DPSS continues to prioritize hiring to meet the increased workload resulting from regulatory changes and caseload growth. Authorization for overtime is based on justified workload needs that are necessary to process cases within required time lines.

The department plans to continue efforts to ramp up permanent staffing levels and reduce overtime during this demanding time.

**PROBATION DEPARTMENT**

The Probation Department has three major budget units that contain authorized positions; Juvenile Institutions, Field Services and the Administration. It has 1,098 authorized positions with a current department wide vacancy rate of 24.86% or 273 positions; allocated as follows (this information was obtained directly from the department's letter dated September 10<sup>th</sup>, 2014 in response to our overtime inquiry):

- Juvenile Institutions — 415 authorized positions, vacancy rate 24.82% (103 positions)
- Field Services — 590 authorized positions, vacancy rate — 25.76% (152 positions)
- Administration — 93 authorized positions, vacancy rate — 19.35% (18 positions)

For the period of July 1, 2013 through June 30, 2014, the County's human resources information system reported 1,670,490 base hours worked by Probation staff. Base hours consist of a standard work year of 2,080 work hours. A standard work year includes regular hours worked, as well as vacation, sick, and other leaves taken by employees. Overtime worked, time worked in excess of base hours, was 55,785 hours for the department. Probation's overtime rate, the ratio of overtime hours to base hours was 3.34 percent.

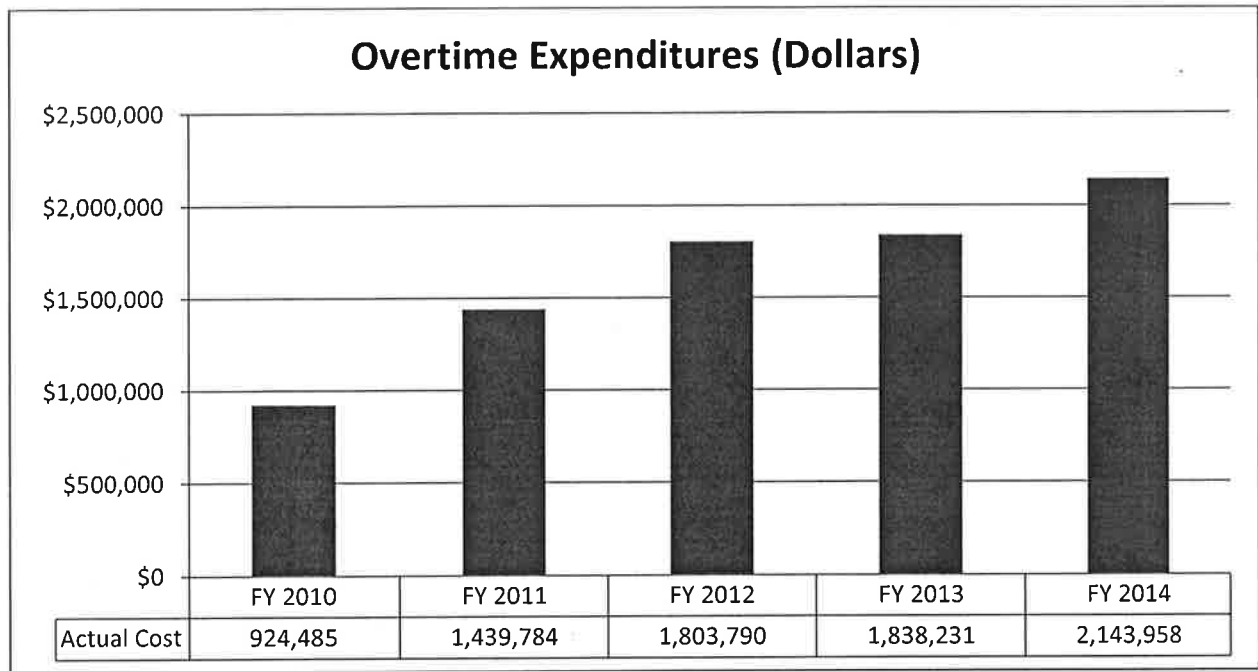
In fiscal year 2014, Probation reported labor expenditures of \$71,176,134. Overtime expenditures were \$2,143,958 of that amount. The following section looks at Probation Department's overtime expenditures over a five-year period.

**Summary of overtime expenditures for the last five fiscal years:**

Graph 6 below illustrates five-years of overtime expenditures incurred by the Probation Department. The department shows progressive increases in overtime expenditures over the five-year period with a 16.6% total increase from 2013 to 2014.



Graph 6. Probation's overtime expenditures in dollars for five years.



The total cost of overtime to the total cost of labor is illustrated in table 5 below.

Table 5. Probation's total overtime cost to total labor cost in dollars

<b>Total overtime cost to total labor cost in dollars (includes all benefits and labor taxes paid)</b>					
<b>Cost</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Overtime</b>	924,485	1,439,784	1,803,790	1,838,231	2,143,958
<b>Total Labor</b>	66,336,626	61,790,040	63,398,737	66,909,624	71,176,134

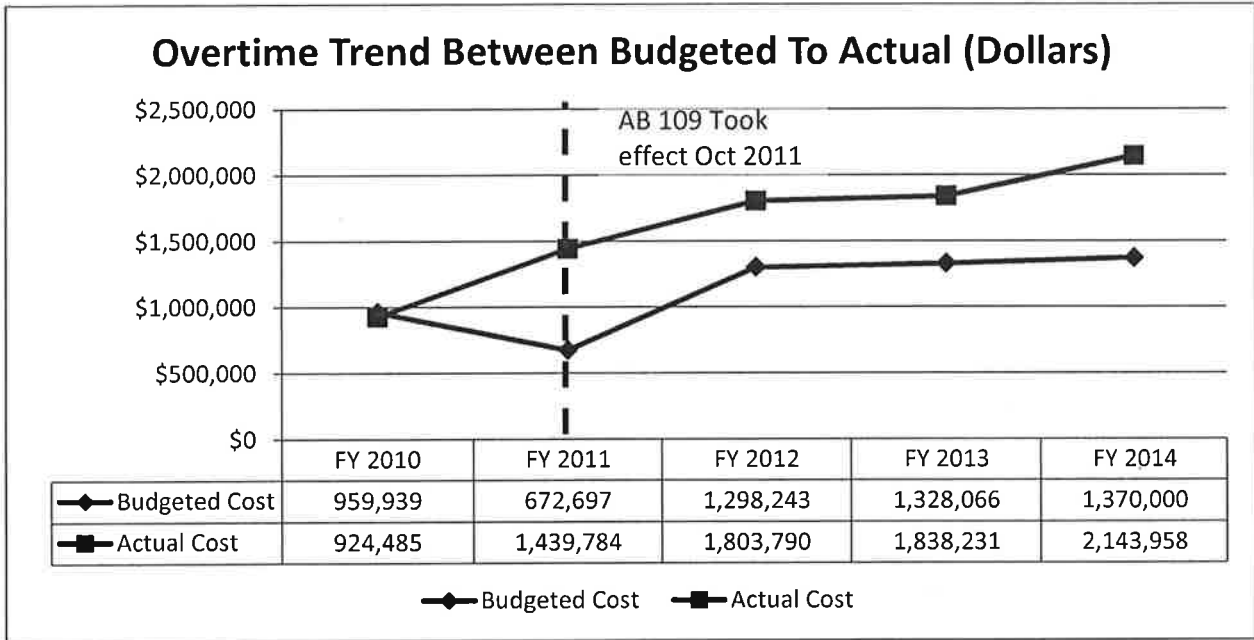
The total overtime cost to total cost of regular salaries is illustrated in Table 6 below.

Table 6. Probation's overtime cost to regular salaries cost in dollars

<b>Total overtime cost to regular salaries cost in dollars (only includes regular salaries data)</b>					
<b>Cost</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Overtime</b>	924,485	1,439,784	1,803,790	1,838,231	2,143,958
<b>Regular Salary</b>	42,460,707	40,539,616	40,308,021	42,254,218	44,872,063

Comparison between budgeted and actual overtime cost is shown in graph 7 below.

*Graph 7. Probation's comparison between budgeted overtime expenditures vs. actual overtime expenditures in dollars*



Probation Department's response to overtime inquiry:

As disclosed in your letter dated August 21, 2014, and according to your office's collected data from July 1, 2013 through June 30, 2014, Probation Department staff recorded actual overtime costs of \$2,143,958, a 17% increase from fiscal year 2012-13. As previously discussed and reported by the Probation Department in response to the overtime usage inquiry by your office on February 7, 2014, below are the Probation Department's reasons and justifications for the use of overtime, including but not limited to reasons for the use of overtime, the protocol followed to approve overtime per the attached department policy, and the ongoing efforts to reduce the use of overtime.

Overview

The Probation Department has three major budget units that contain authorized positions; Juvenile Institutions, Field Services and Administration. The Probation Department has 1,098 authorized positions with a current department wide vacancy rate of 24.86%, or 273 positions, allocated as follows:

- Juvenile Institutions — 415 authorized positions, vacancy rate — 24.82%\* (103 positions)
- Field Services — 590 authorized positions, vacancy rate — 25.76%\* (152 positions)
- Administration — 93 authorized positions, vacancy rate — 19.35%\* (18 positions)

\*The current vacancy rate does not include positions in a reduced work status, such as those with return to work restrictions; positions currently occupied but vacant due to FMLA leave and/or workers compensation claims.

The department continues to be aggressive in its efforts to fill all vacant positions. For the current 2014 year, the target is to reduce vacancies by one-half. To accomplish this task, the department has worked closely with County Human Resources to dedicate funding for three positions within the Human Resources department for only Probation Department recruitments.

Additionally, the department has authorized the advertising of referral bonuses for key positions within the department, such as Probation Correction Officers (Juvenile Institutions) and Deputy Probation Officers (Field Services). The department is also exploring the feasibility of bonuses for difficult to recruit positions. Within the last fiscal year, the department has also doubled its background staff to push a greater number of candidates through the background process. More recently, a department Recruiter position was filled to assist in reducing the number of existing vacant positions by targeting populations that are most likely to successfully complete the stringent background process.

#### **Overtime Budget and Oversight**

The majority of the fiscal year 2013/14 Probation Department budgeted overtime of \$1.37M is within the Juvenile Institutions budget unit, which accounted for \$1.2M, or 88%. The remaining portion of the \$1.37M budgeted overtime is allocated to Field Services \$0.15M, and Administration \$0.02M.

For each office within the Probation Department and on the back of each time sheet signed by employees and supervisors, overtime must be detailed with the purpose for the overtime and the amount of hours worked, and signed off by the appropriate supervisor before it is processed and paid. As included in the attached department policy referencing Overtime, Section IV, Policy: "Overtime work is discouraged and is limited to emergencies and the performance of urgent necessary functions. Whenever possible, overtime is to be authorized in advance by the immediate supervisor." This method of internal control ensures that the supervisor is aware of the overtime being worked and has authorized the overtime prior to being worked.

Field Services and Administration Budget Units: Approximately 26% of the Field Services and Administration overtime expenditures are reimbursed via outside funding and other revenue streams. For the Field Services budget unit, the overtime expenditures are typically for specific task force functions and specialized operations, such as the Sexual Assault Felony Enforcement (SAFE) teams and Special Task Force operations, which are funded via grant allocations and memorandums of understanding with outside agencies specifically reimbursing the Probation Department for overtime activities.

The Administration overtime expenditures are similarly reimbursed via external grant allocations, such as the Kiosk offender reporting system grant and AB 109 Public Safety Realignment. The majority of the overtime expenditures for the Administration budget unit are

for information technology work performed with the implementation and operation of the Kiosk Offender Reporting system, and the recruitment and hiring of AB 109 realignment staff.

Juvenile Institutions Budget Unit: For the Juvenile Institutions budget unit where the majority of the overtime occurs for the department, Title 15-Section 1321 governs the mandated functions associated with the child custody and care duties, transportation requirements, court hearings, medical appointments, mandated training, etc. of the juvenile institutions. The code section specifically details the requirements for the minimum staffing levels associated with the operations of the juvenile detention facilities located in Riverside, Murrieta, and Indio; plus the Twin Pines Ranch treatment facility which was closed at the end of fiscal year 2013-14.

Based on the code section, there is a 1 to 10 staffing requirement during the day or waking hours, and a 1 to 30 staffing requirement during the sleeping hours. The overtime associated with the juvenile institutions is a direct result of the existing vacancies within this budget unit and the Title 15-Section 1321 mandated requirements for minimum staffing levels. To maintain and ensure the proper control of available staffing resources within the Probation Department, the department continues to be diligent in training all detention facility schedulers to minimize overtime usage while ensuring that all detention facilities maintain compliance with Title 15 staffing requirements. One of the key tools that the Probation Department has implemented to ensure the proper allocation of available staffing resources while maintaining Title 15 compliance and ensuring officer safety is an electronic scheduling system within each detention facility that allows the schedulers to maximize available staffing resources when evaluating the need for overtime usage. Additionally, the electronic scheduling system allows the scheduler and manager to generate real-time usage reports, as opposed to waiting for the end of the pay period for the time to be keyed into the PeopleSoft system and payroll calculated to generate usage reports. Additionally, the department's Executive Team and division managers receive regular overtime reports detailing overtime by location each pay period. The Executive Team also receives an overall monthly budget update that includes an overtime recap report, year-to-date figures in comparison to prior years' activity/costs, and end-of-year projections for overtime. This high-level briefing allows the Executive Team to stay on top of any anomalies with overtime usage and take immediate action to stem possible over expenditures.

Additionally, within the past twelve months, the Probation Department has implemented a pilot program whereby the institutions are offering the opportunity for field services staff to work a limited number of institution overtime shifts. While this pilot program is currently still being evaluated as to the effectiveness of controlling overtime costs, it has already yielded significant employee morale benefits and minimized the need for mandating overtime for existing institution staff.

And finally, similar to the Field Services and Administration budget units, there is a revenue offset/reimbursement factor associated with the Juvenile Institutions overtime expenditures. Approximately 12% of the overtime budgeted cost for Juvenile Institutions is reimbursed via the Standards for Training and Corrections (STC) funding. The STC funding is utilized for juvenile institution staff required to attend training associated with their job duties and responsibilities.

In summary, the Probation Department continues to be cutting edge and prudent in maximizing available staffing resources, and using the latest technology and tools to establish and maintain effective internal controls designed to safeguard county resources while ensuring compliance with established laws, regulations and policies. From the department's perspective, the total overtime cost of \$2,143,958 for fiscal year 2013-14 is only 1.9% of the department's budget. In addition, this cost is offset by grant funding and other revenues by approximately 13.3% or \$286,009.

**RIVERSIDE COUNTY FIRE DEPARTMENT (COUNTY EMPLOYEES)**

The Riverside County Fire Department (Fire Department) on average responds to 400 emergencies everyday across the nearly 7,300 square miles that make up Riverside County. They responded to a total of 133,536 emergencies in 2013 from 92 operating fire stations. The department provides full service municipal and wildland fire protection, pre-hospital emergency medical response by paramedics and EMTs, technical rescue services, and responses to hazardous materials discharge. It directly partners with 22 Riverside County cities to provide fire protection services and responds through mutual aid agreements with 6 other Riverside County cities.

As of 2013, the Fire Department was comprised of 1,344 employees. This includes 1,100 state and 244 county employees. Only county Fire Department employee labor and overtime cost is included in this report. State Fire Department employees were excluded.

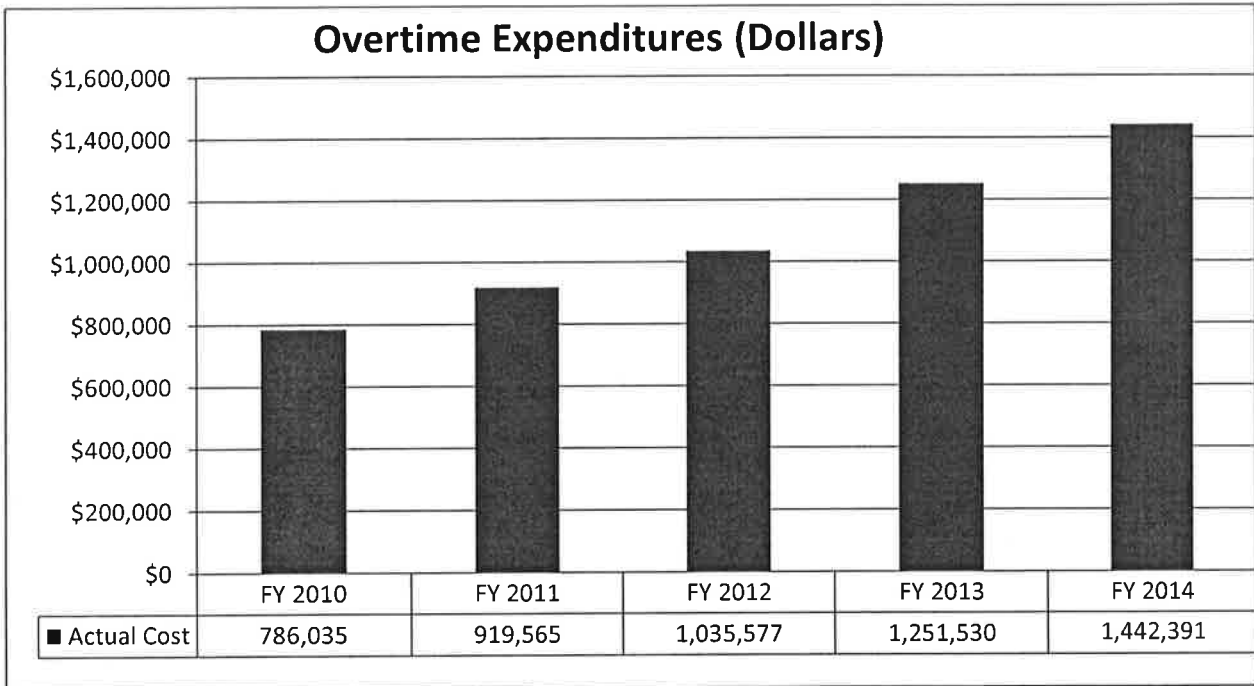
For the period of July 1, 2013 through June 30, 2014, the County's human resources information system reported 437,074 base hours worked by Fire Department staff. Base hours consist of a standard work year of 2,080 work hours. A standard work year includes regular hours worked, as well as vacation, sick, and other leaves taken by employees. Overtime worked, time worked in excess of base hours, was 36,053 hours for the department. Fire's overtime rate, the ratio of overtime hours to base hours was 8.25 percent.

In fiscal year 2014, Fire reported labor expenditures of \$19,930,555. Overtime expenditures were \$1,442,391 of that amount. The following section looks at Riverside County Fire Department's overtime expenditures over a five-year period.

**Summary of overtime expenditures for the last five fiscal years:**

Graph 8 below illustrates five-years of overtime expenditures incurred by the Fire Department. The department shows progressive increases in overtime expenditures over the five-year period with an 83.5% total increase from 2010 to 2014.

Graph 8. Fire Department's overtime expenditures in dollars for five years.



The total cost of overtime to the total cost of labor is illustrated in table 7 below.

Table 7. Fire's total overtime cost to total labor cost in dollars

Total overtime cost to total labor cost in dollars (includes all benefits and labor taxes paid)					
Cost	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Overtime	786,035	919,565	1,035,577	1,251,530	1,442,391
Total Labor	15,336,206	16,341,844	17,308,719	17,969,185	19,930,555

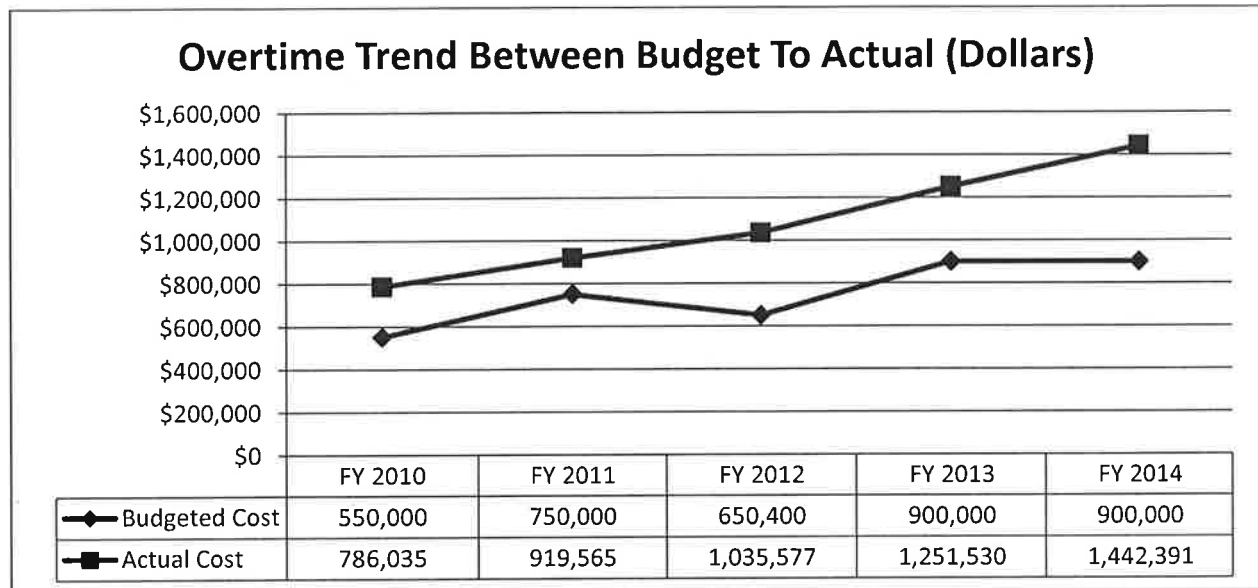
The total overtime cost to total cost of regular salaries is illustrated in Table 8 below.

Table 8. Fire's overtime cost to regular salaries cost in dollars

Total overtime cost to regular salaries cost in dollars (only includes regular salaries data)					
Cost	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Overtime	786,035	919,565	1,035,577	1,251,530	1,442,391
Regular Salary	9,706,540	10,061,135	10,469,514	10,810,791	12,023,408

Comparison between budgeted and actual overtime cost is shown in graph 9 below.

*Graph 9. Fire's comparison between budgeted overtime expenditures vs. actual overtime expenditures in dollars*



Fire Department's response to overtime inquiry:

The Fire Department uses overtime for emergency response, coverage in our Emergency Command Center, call back for any type of maintenance issue (fleet, facility, com/it, etc...), and as workload deems necessary. Our support staff responds to the needs of our firefighters during emergency incidents and at times overtime is necessary.

Our Emergency Command Center is a 24 hour, 7 day a week dispatch center that requires staffing at all times. Overtime is used when employees are out sick, on medical leaves, and at times for vacations. We had several vacancies and some turnover in our Emergency Command Center last year that increased overtime as well. We have added four (4) PSCO positions in FY 14/15 to help mitigate the overtime and the workload of our current staff.

The overtime in our Fleet, Facility Maintenance and Communications/IT Bureaus is due to necessary maintenance issues. We must always have our fleet well maintained even on evenings and weekends. The Fire Department, as you can imagine, is a 7/24/365 operation. All of our fire stations must be operational at all times day and night and our Facility Maintenance staff does respond to issues on call back overtime.

It is critical that our Communication/IT needs are met at all times as well and overtime is necessary after hours. We have added positions in our fleet and facility maintenance staff to assist in mitigating overtime. Our overtime in these areas is mostly due to the needs of our fire stations and vehicles. Adding the additional staff does not guarantee less overtime.



Overtime is reviewed with each timesheet submittal and again after every pay period. All overtime on timesheets require separate signature approval. In addition, a report of overtime used and banked is provided to management after every pay period for review. The Executive Team and particularly the Fire Chief monitors the biweekly overtime report.

**RIVERSIDE COUNTY INFORMATION TECHNOLOGY**

Riverside County Information Technology (RCIT) is an Internal Service Fund department with reliance on revenues received from services. The department is a full service provider of IT services which include:

- Applications Development
- Communications Services
- Geographic Information Services
- Operations Support Services
- Project Management Office
- Services and Support
- System Services

The extensive array of technology solutions and service extend beyond county internal departments to other local governments and agencies. These agencies and local governments include Moreno Valley, Riverside city, San Jacinto, Commission for Women, Coachella Valley Community Events, and the Inland Empire Small Business Development Center among others.

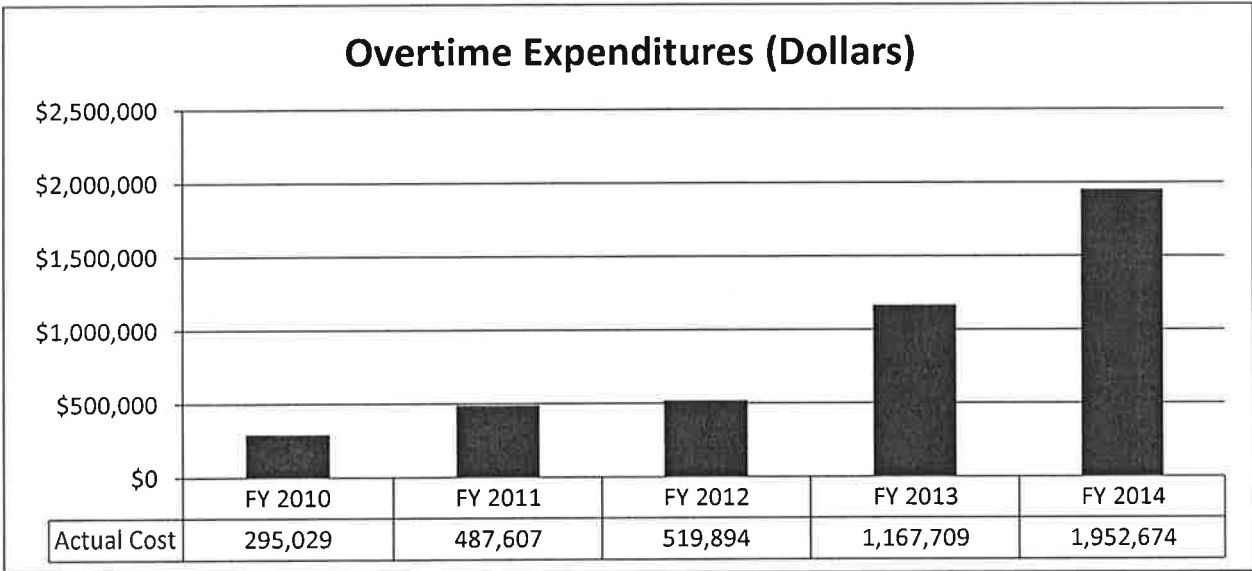
For the period of July 1, 2013 through June 30, 2014, the County's human resources information system reported 659,960 base hours worked by RCIT staff. Base hours consist of a standard work year of 2,080 work hours. A standard work year includes regular hours worked, as well as vacation, sick, and other leaves taken by employees. Overtime worked, time worked in excess of base hours, was 33,322 hours for the department. Riverside County Information Technology's overtime rate, the ratio of overtime hours to base hours was 5.05 percent.

In fiscal year 2014, RCIT reported labor expenditures of \$45,073,377. Overtime expenditures were \$1,952,674 of that amount. The following section looks at Riverside County Information Technology's overtime expenditures over a five-year period.

**Summary of overtime expenditures for the last five fiscal years:**

Graph 10 below illustrates five-years of overtime expenditures incurred by the RCIT. The department shows progressive increases in overtime expenditures over the five-year period with a 562% total increase from 2010 to 2014.

Graph 10. Riverside County Information Technology's overtime expenditures in dollars for five years.



The percentage of total cost of overtime to the total cost of labor is illustrated in table 9 below.

Table 9. Riverside County Information Technology's total overtime cost to total labor cost in dollars

Total overtime cost to total labor cost in dollars (includes all benefits and labor taxes paid)					
Cost	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Overtime	295,029	487,607	519,894	1,167,709	1,952,674
Total Labor	22,787,790	23,007,515	22,007,482	31,797,610	45,073,377

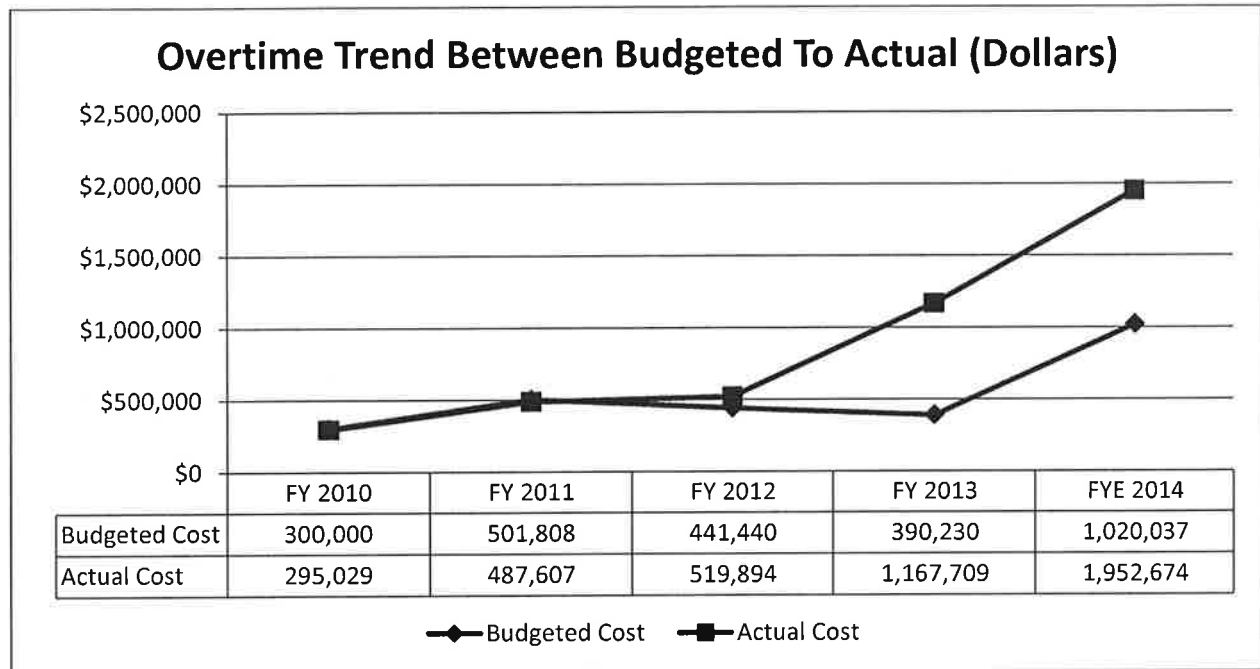
The total overtime cost to total cost of regular salaries is illustrated in Table 10 below.

Table 10. RCIT's overtime cost to regular salaries cost in dollars

Total overtime cost to regular salaries cost in dollars (only includes regular salaries data)					
Cost	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Overtime	295,029	487,607	519,894	1,167,709	1,952,674
Regular Salary	15,034,611	15,261,424	14,287,809	20,596,064	27,689,931

Comparison between budgeted and actual overtime cost is shown in graph 11 below.

Graph 11. RCIT's comparison between budgeted overtime expenditures vs. actual overtime expenditures in dollars



Riverside County Information Technology's response to overtime inquiry provided by Kevin Crawford prior to the appointment of Christopher Hans as the Interim Department Head effective August 12, 2014:

Following is the breakdown of overtime expense (510420) for RCIT for funds 45520 and 45500 during FY 2013/14:

- Fund 45520: \$282,818 PSEC Project Implementation and after hour response to radio communication outages
- Fund 45500: \$336,408 Converged Network Project (CNP) Implementation
- \$698,432 After-hour responses to outages/service interruptions for various enterprise applications
- \$136,582 PeopleSoft Financials Project Implementation and outages/degradation
- \$294,972 Customer requests for ads, moves or changes to occur after hours to avoid service disruptions during the workday
- \$203,052 Overtime related to increased workload

I recognize that my department needs to more closely control overtime expense (510420), and standby pay (510500). We have implemented several additional controls and are considering other measures.

All overtime within RCIT is preapproved by managers. Our fiscal division provides quarterly overtime reports to managers for review. Managers are collaborating to look for opportunities to assign single staff to multiple standby assignments. Additionally, RCIT is reviewing the need for standby on specific applications to determine if 24/7 services are absolutely necessary, or if service interruptions can be addressed the next day of business. RCIT's aim is that customer needs are met with minimal service interruptions. Overtime related to the implementation of specific projects can be reduced where possible by lengthening the implementation schedule.

Some overtime and standby is unavoidable. For example, RCIT will continue to incur overtime related to requests from county departments to have their services provided after hours to avoid service interruptions.

**RIVERSIDE COUNTY REGIONAL MEDICAL CENTER**

Riverside County Regional Medical Center (RCRMC) is a centrally located facility in the City of Moreno Valley and is staffed with more than 2,400 professionals. For the period of July 1, 2013 through June 30, 2014, the County's human resources information system reported 5,414,379 base hours worked by RCRMC staff. Base hours consist of a standard work year of 2,080 work hours. A standard work year includes regular hours worked, as well as vacation, sick, and other leaves taken by employees. Overtime worked, time worked in excess of base hours, was 347,757 hours for the department. Riverside County Regional Medical Center's overtime rate, the ratio of overtime hours to base hours was 6.42 percent.

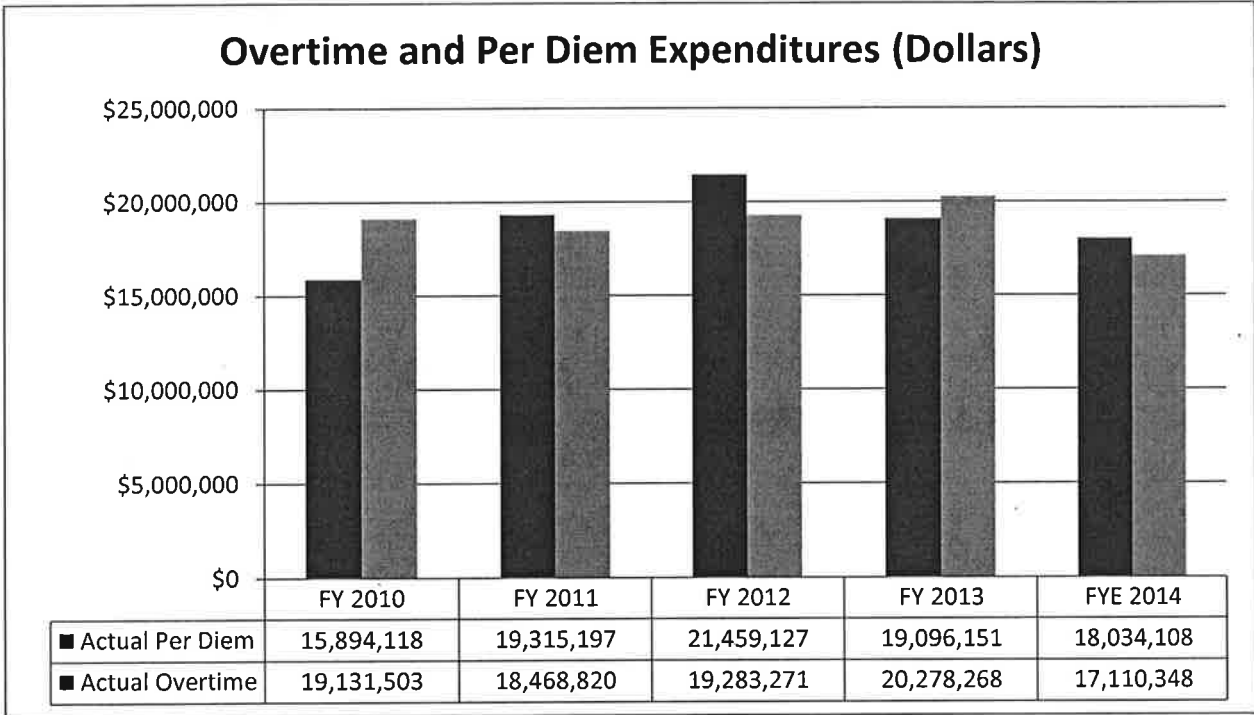
In fiscal year 2014, RCRMC incurred a total of \$280,149,857 in labor cost of which \$35,144,456 was overtime related cost. Since our last overtime monitoring report, overtime cost was reduced 10.7% or \$4,229,962.

The following section looks at Riverside County Regional Medical Center's overtime and per diem expenditures over a five-year period

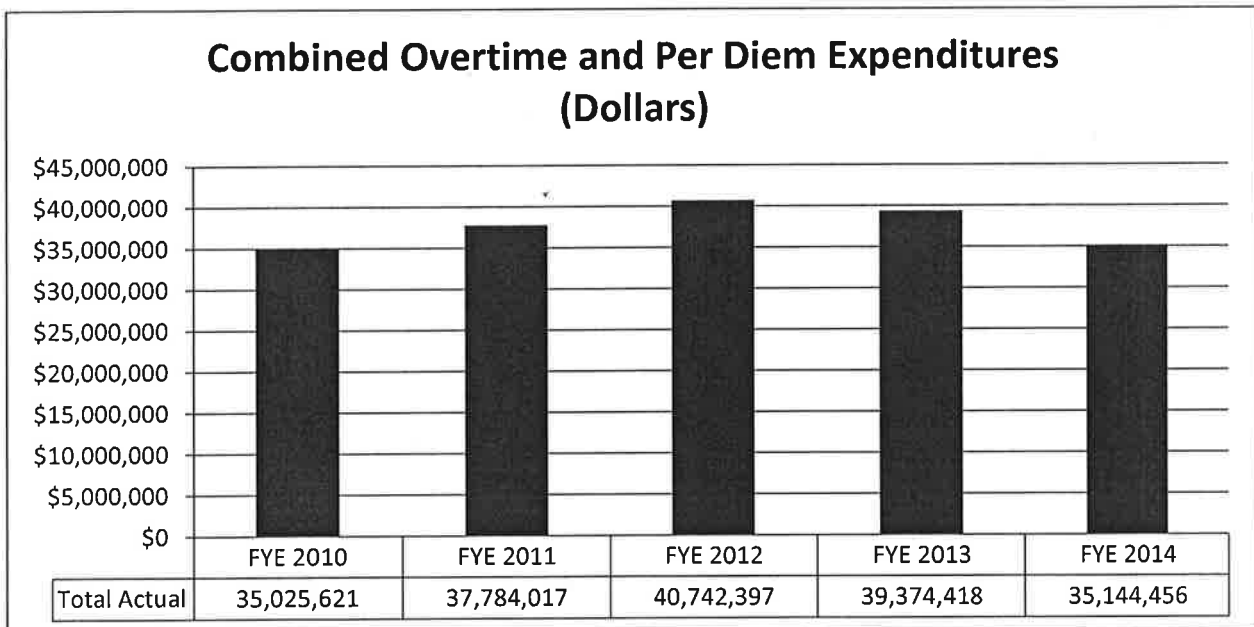
**Summary of overtime expenditures for the last five fiscal years:**

In our collected data of RCRMC's five-year overtime expenditures, per-diem expenditures were included with the assumption that most of the per diem cost was for temporary medical staff hired as needed to meet the demand. Graph 12 illustrates both overtime and per diem expenditures over a five-year period while Graph 13 is the combined total of both expenditures.

Graph 12. Riverside County Regional Medical Center's overtime and per diem expenditures in dollars for five years.



Graph 13. Riverside County Regional Medical Center's combined overtime and per diem expenditures in dollars for five years.



The percentage of total cost of overtime and per diem to the total cost of labor is illustrated in Table 11 below.

*Table 11. Riverside County Regional Medical Center's total overtime cost to total labor cost in dollars.*

<b>Total overtime cost to total labor cost in dollars (includes all benefits and labor taxes paid)</b>					
<b>Cost</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Per-Diem</b>	15,894,118	19,315,197	21,459,127	19,096,151	18,034,108
<b>Overtime</b>	19,131,503	18,468,820	19,283,271	20,278,268	17,110,348
<b>Total Labor</b>	225,320,553	234,359,351	248,575,848	267,084,744	280,149,857

The total overtime and per diem cost to total regular salaries cost is illustrated in Table 12 below.

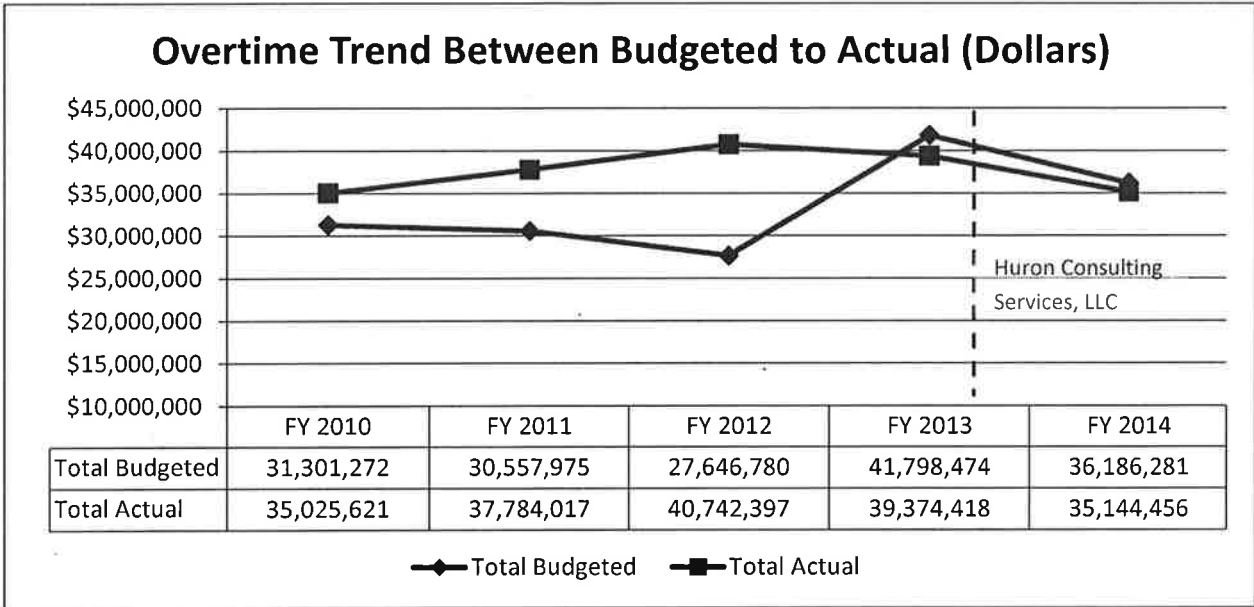
*Table 12. Riverside County Regional Medical Center's overtime cost to regular salaries cost in dollars.*

<b>Total overtime cost to regular salaries cost in dollars (only includes regular salaries data)</b>					
<b>Cost</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Per-Diem</b>	15,894,118	19,315,197	21,459,127	19,096,151	18,034,108
<b>Overtime</b>	19,131,503	18,468,820	19,283,271	20,278,268	17,110,348
<b>Regular Salary</b>	117,037,355	122,241,328	128,753,210	146,052,026	157,990,267

Graph 14 below is a comparison of budgeted and actual overtime cost. In this graph, the overtime and the per diem cost are added as one total and shown as overtime cost.



Graph 14. Riverside County Regional Medical Center's comparison between budgeted overtime expenditures vs. actual overtime expenditures in dollars



Riverside County Regional Medical Center's response to overtime inquiry:

At RCRMC we annually use both overtime and per diem staffing to cover volume variances in daily patient care.

We, like every other hospital in California, meet the medical staffing patient care ratios mandated by California law. To accomplish this requirement we hire a core nursing and other medical professional contingent that will meet the staffing ratio requirements on an average patient day load. Some days we have more patients or sicker patients than expected; and use per diem staffing to cover the extra staff needs. This approach is used by all California hospitals and is usually less expensive than hiring extra full time people who might not be needed every day. On days where we do not have an average patient care load we do not use per diem and also call off regular employees where allowed by our collective bargaining agreements.

Overtime is used only when regular employees and per diem are not available to meet staffing needs in a timely manner; or where regulatory requirements require a response time that cannot be met by the business office, medical case management, or medical record staff through core staffing.

Overtime and per diem staffing will always be part of our management of labor at RCRMC.

**SHERIFF'S DEPARTMENT**

The Sheriff's Department with over 4,000 law enforcement professionals, administrative and support staff, provide protection and core services through 19 different bureaus and teams. The Sheriff's Department primary services include:

- 24/7 first responders to handle calls from the public
- Police services for 17 of 28 cities and 1 tribal community
- Coroner-Public Administrator responsibilities countywide
- Joint task force lead agency for Federal, state, and local integration efforts
- Countywide jail system operation
- Court security and civil service countywide
- Mutual Aid coordination for law enforcement resources countywide

For the period of July 1, 2013 through June 30, 2014, the County's human resources information system reported 8,157,818 base hours worked by Sheriff staff. Base hours consist of a standard work year of 2,080 work hours. A standard work year includes regular hours worked, as well as vacation, sick, and other leaves taken by employees. Overtime worked, time worked in excess of base hours, was 744,360 hours for the department. The Sheriff's overtime rate, the ratio of overtime hours to base hours was 9.12 percent.

In fiscal year 2014, the Sheriff reported labor expenditures of \$489,287,286. Overtime expenditures were \$38,930,775 of that amount. The following section looks at Sheriff Department's overtime expenditures over a five-year period.

**Auditor Response to Sheriff's Overtime Response**

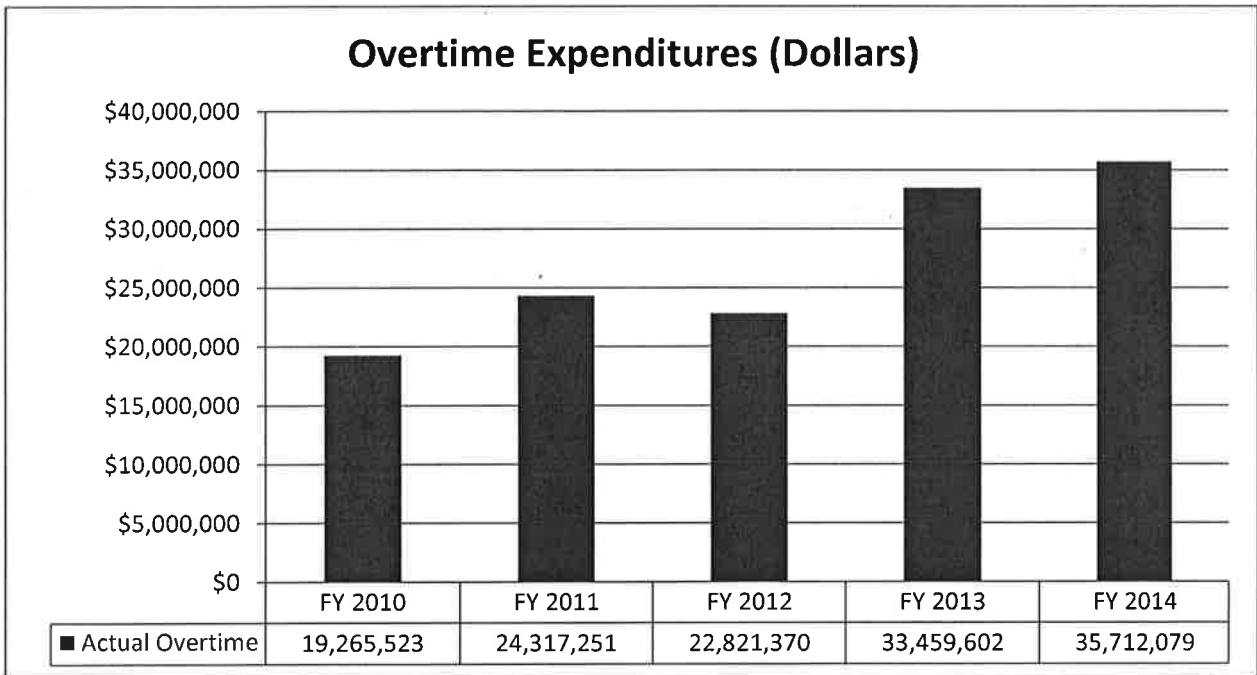
The Sheriff noted in their response that our query results of their reported overtime was about \$3.3 million dollars over due to the inclusion of expenditures relating to sub-account expenditures 510421 "Overtime-Holiday". This account is used when an employee's regular day off falls on a holiday and they chose to have it paid.

We verified that HRMS code HLX, the code used when employees who's day off lands on a holiday and choose to have the day paid instead of banking the day for personal leave hours, interfaces with PeopleSoft financials as declared in the Sheriff's response. These hours are paid at the regular salary rate and as a result, we netted the amounts recorded under the sub-account from the total overtime expense reported for fiscal year end 2014. The net amounts are reflected in each of the graphs and tables.

Summary of overtime expenditures for the last five fiscal years:

Graph 15 below illustrates five-years of overtime expenditures incurred by the Sheriff's Department.

Graph 15. Sheriff's overtime expenditures in dollars for five years.



The department shows progressive increases in overtime expenditures over the five-year period with an 85% total increase from 2010 to 2014.

The percentage of total cost of overtime to the total cost of labor is illustrated in table 13 below.

Table 13. Sheriff's total overtime cost to total labor cost in dollars

<b>Total overtime cost to total labor cost in dollars (includes all benefits and labor taxes paid)</b>					
<b>Cost</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Overtime</b>	19,265,523	24,317,251	22,821,370	33,459,602	35,712,079
<b>Total Labor</b>	417,983,913	435,108,220	426,723,566	449,974,761	489,287,286

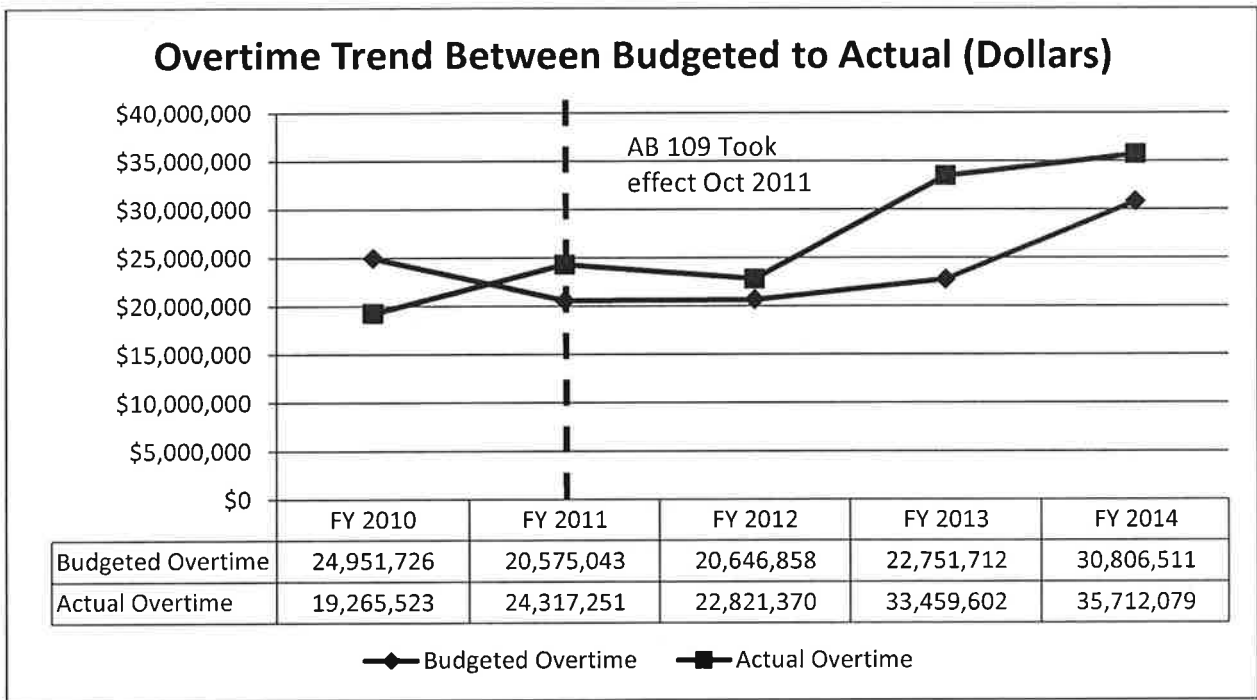
The total overtime cost to total cost of regular salaries is illustrated in Table 14 below.

Table 14. Sheriff's overtime cost to regular salaries cost in dollars

<b>Total overtime cost to regular salaries cost in dollars (only includes regular salaries cost)</b>					
<b>Cost</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Overtime</b>	19,265,523	24,317,251	22,821,370	33,459,602	35,712,079
<b>Total Labor</b>	258,880,864	268,274,758	264,309,930	266,359,507	293,865,191

Comparison between budgeted and actual overtime cost is shown in graph 16 below.

Graph 16. Sheriff's comparison between budgeted overtime expenditures vs. actual overtime expenditures in dollars



Sheriff's response to overtime inquiry:

On August 21, 2014, we received your request for a written response regarding \$38,930,774 of recorded overtime costs for FY 13/14. Your overtime calculation is \$3.3 million higher than our actual number. The Sheriff's Department collected and analyzed "strictly overtime" from July 1, 2013, through June 30, 2014, and we recorded overtime totaling \$35,644,810. Of that amount, 61% was reimbursed overtime and 39% was non-reimbursed.

The variance in the data is due to your office including expenditures relating to sub-account 510421 "Overtime-Holiday". This account is used when an employee's regular day off falls on a holiday and they chose to have it paid. Overtime-Holiday costs are not subject to retirement.

The majority of the Department's "reimbursed overtime" for FY 13/14 equated to \$21,600,110. The Department was reimbursed for overtime costs associated with contract policing, grant reimbursements, court security, and special events.

As mentioned above, 39% of all overtime incurred fell into the non-reimbursed category. Our Patrol, Corrections and Dispatch divisions operate on a 24/7 basis. The Sheriff has spoken before the Board of Supervisors numerous times about the overtime impacts of dropping to minimum staffing and the impacts of AB 109 Realignment. Overtime costs associated with minimum staffing requirements, unanticipated Presidential visits to the Coachella Valley, subpoenas for court and various hearings, extended shifts due to protracted criminal investigations, and call outs fall into the non-reimbursed category.

The Department monitors and controls overtime on a daily basis at all bureaus and stations. Overtime is approved through the chain of command. Ultimately being reviewed and approved by the employees Commander. Detailed overtime reports are produced by pay periods and reviewed by the Executive Staff.