

APPENDIX C

Seattle Police Department Response to the Audit Report



March 15, 2016

MEMORANDUM

To: David Jones, City Auditor
Robin Howe, Auditor-In-Charge
Cindy Drake, Deputy City Auditor
Virginia Garcia, Assistant City Auditor
Megumi Sumitani, Assistant City Auditor

From: Brian Maxey, Chief Operating Officer 
Seattle Police Department

Subject: SPD Response to Audit of Seattle Police Department's Overtime

Thank you for providing an opportunity to review and respond to the Seattle Police Department (SPD) Overtime Controls Audit report—we greatly appreciate the work done by the City Auditor's Office. This audit of SPD's overtime use and process took place at the request of Chief O'Toole, who recognized that there were areas where the SPD needed to make positive changes to manage overtime use—as such, the results are not unexpected. The Chief's request for a complete audit reflects the department's commitment to assessing and fixing its overtime processes and use, and is part of a complete Departmental overhaul of best management practices. While the audit and this letter focus on overtime control and budgeting, such efforts can only be successful if combined with better practices in other areas, such as controls on spending and travel and training, and a "truing up" of departmental assignments with the budget. All of these efforts will take time and will require cultural changes, but the Department is committed to achieving best business practices throughout the organization.

As this memo indicates, we have not been passive—since your initial briefings in 2015 we have been proactively implementing changes throughout the department. As a result, since July 2015 there were steady reductions in monthly overtime resulting in the lowest overtime usage in November and December 2015 in years. Through overtime reduction efforts, other expenditure controls and salary savings, SPD was able to let \$2.9M lapse back to the General Fund at the end of 2015. Changes in our overtime expenditures were the direct result of hard work, close monitoring, and conscious choices about how the department utilized this important resource. However, much more work needs to be done. Going forward, as our new policy comes on line, new technologies allow us to monitor and make choices in real time, and new sources of information allow supervisors and managers to make corrections before using overtime, we will be in both a better position to responsibly manage and control overtime and to demonstrate what the appropriate level of SPD overtime funding should be annually.

The audit outlines six key areas where there are opportunities for positive change in the SPD's use of overtime, the amount of overtime it has available, controls over its use, and how special events overtime is managed by the department. Many of the audit's findings and observations were also identified by the

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department and changes have already been implemented or are in the works. These recommendations provide an excellent roadmap for the department's continuing effort to ensure that overtime is used only when necessary to provide the required police services to the City of Seattle. The department is moving quickly to implement changes in its policies, processes, and review of overtime. The following sections touch on the audit's findings areas and highlight the changes that have taken place and the efforts that are underway.

Overtime Policies and Procedures

The findings accurately note that there are deficiencies in the department's current overtime policy. The current policy does not clearly detail the need to minimize overtime, for employees to obtain pre-authorization for overtime work, and for supervisors and managers to consistently, thoroughly, and uniformly review overtime at the unit and individual levels. As part of the audit recommendations review process SPD made changes to the overtime expenditure information it sent to supervisors. However, the department's current processes and technology reviews employees' use of overtime retrospectively, making it difficult to enforce its existing weekly overtime hour's threshold until after the hours are actually worked by the employee.

To resolve this issue, the department is creating a new overtime policy. The new policy builds on the examples of several jurisdictions examined as part of the audit. It details the department's commitment to mitigate overtime use, requires pre-approval for all overtime, outlines the documentation process, and contains detailed supervisor and manager review and analysis procedures. A draft policy is currently in the final review process and is expected to take effect in the second quarter of 2016. These will come with supervisor and manager training focused on approval decisions, documentation, and review of overtime. Once the department begins using a new scheduling and timekeeping application (Kronos Workforce Telestaff – discussed in a later section) supervisors will have immediate access to current overtime reports and see where their employees are scheduled to work future overtime. The request and approval process will be automated and provide an efficient way for supervisors to monitor overtime utilization by their respective personnel.

Overtime Budget

The overtime audit states that the SPD needs a more realistic overtime budget. Since 1994, the department has operated within its allotted overtime only once. As demands on the department for services beyond normal law enforcement operations have increased in recent years, overages have gone up. Putting the recommendations of this audit into practice will ensure that the department is mindful in how it is using and accounting for overtime, while continuing to respond to the increasing demand for police services.

The SPD is determined to work with the City Budget Office (CBO) to establish a proper overtime budget for the department. The current figure represents incremental changes over time and is not pegged to any specific analytical framework. The department will resolve this issue by creating a "zero-based" overtime budget for the SPD. Chief Financial Officer Mark Baird is leading this effort, which should be presented by second quarter 2016, with the goal of having an overtime amount that is rooted in sound principles and represents the actual workload of the department to submit during the next budget process. The current staffing and allocation work being done is also a key element of this process – as it informs the staffing resources necessary to provide the desired amount of police services in Seattle. This will create an overtime budget that is grounded in the realities of the department's present-day workload and establish a procedure for creating the annual overtime budget for the department to submit in future years.

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Operational Controls for Overtime Processes

The City Auditor found that the SPD could benefit from increased overtime controls and processes; specifically, an improved automated staffing scheduling and timekeeping system. Many of the comparable cities discussed in the report used and benefited from such systems. The SPD agrees and has begun the process of purchasing and implementing such a system, beginning with a rollout of Kronos Workforce TeleStaff (Kronos). This rollout will begin shortly with the department's Communications Center and will continue to the rest of the department. The preliminary work has begun and a project manager is putting together the details of the configuration and roll out process. The implementation of Kronos will include clearly defined business rules outlining mandated chain-of-command approvals and automated auditing of overtime usage. The implementation of Kronos will also benefit other management areas, such as staff scheduling and controls on secondary employment. Until this solution becomes operationalized, the department is conducting regular manual audits of overtime usage.

Overtime Management Controls

The audit found that the SPD would benefit from additional management-level reporting and monitoring of overtime. It also indicated that the department would benefit from independent (non-operational unit) analysis of overtime use.

To resolve this issue, in the summer of 2015, the Budget Section began sending managers (captains and above) bi-weekly reports on the overtime use for their respective units. On a monthly basis, managers of individual units receive reports that detail each employee's overtime for that month. Additionally, the Budget Section reviews department wide overtime use and reports on it regularly at Command Staff meetings. Additionally, budget issues will be presented and discussed at SeaStat in order to focus commanders on the role of dollars in operational efforts. The two-week lag in receiving overtime information will resolve as Kronos is deployed and the overtime information can be viewed and tracked in real-time.

Overtime for Special Events

The audit rightly identifies several challenges that the department faces in dealing with special events. The City hosts to nearly 600 special events per year, ranging from neighborhood events to commercial runs, professional sporting events, and large heritage events such as Seafair. Additionally, SPD responds to many unpermitted events that are unannounced and often require spontaneous deployment of officers on overtime. In September 2015, the City Council adopted a new ordinance that amends the Seattle Municipal Code as it pertains to special events permits and fees. The intent was to shift its special events permit fee structure from one focused on the likely number of participants to a fee for services model. While this new model allows SPD to recoup some costs, SPD will not be able to collect the complete cost of officers and may not collect any fees for certain events, such as community events. Additionally, SPD also will not collect fees for the many unpermitted events the SPD responds to each year. As such, the bulk of SPD response to special events will still need to be managed with overtime staffing.

However, SPD has been improving its management of resource deployment for special events by implementing consistent budgetary assessments of all staffing plans for special events of all sizes. All staffing plans for events are now funneled through a sergeant in the Special Operations and Planning Center (SPOC). SPD's Chief Financial Officer now participates in the department's weekly plans review meetings that assess event staffing before plans are presented to the city's Special Events Committee. Even if a small event is operationally running in a precinct or through the Traffic Unit, the staffing plan will come through this

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weekly staffing meeting. This consistent review provides a department-wide context for the planning and budgeting of every event. Assistant Chief Tarrant represents the department on the Special Events Committee and is responsible for reviewing and approving the department's staffing needs for each event.

Historically, all overtime associated with special events was allocated to SPOC, rather than the specific event. Now overtime is allocated to its own category and separated from the overtime of personnel assigned to SPOC. This change provides clarity about the basis and allocation of overtime and will allow the department to more accurately track the overtime associated with special events.

Off-Duty Police Work

The audit found that the department could benefit from more control of off-duty police work, which is an issue SPD has been actively working on. Current department policy requires employees to self-report their off-duty police work to their chain-of-command, up to the precinct or section captain. There is no easy automated system to log this information or to aggregate it with other hours worked (e.g., regular hours and overtime hours). Options currently being evaluated include bringing the scheduling of off-duty work "in-house" within the department or utilizing a single scheduler that can provide the department with necessary real-time data to ensure effective management. An IT solution, such as an add-on to the Kronos software and some staff support would be necessary if the department pursues this option. The goals of any new off-duty system include department pre-approval of the work and employer before off-duty work is performed, clear documentation of where/when/for whom an officer is working if necessary for audit purposes, ensuring that off-duty jobs do not conflict with on-duty work, and fair distribution of off-duty opportunities.

Again, the Chief is grateful to the City Auditor's Office for the comprehensive examination of the SPD's overtime use and processes as it will further the department's commitment to achieving best business practices. Thank you for the opportunity to review the draft audit report and provide comments. If you have any questions or would like any additional information on any of the department's efforts that are discussed in this memorandum, please call me at (206) 684-0764.

cc:

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Deputy Chief Carmen Best, SPD
Mark Baird, SPD Budget Director
Assistant Chief Lesley Cordner, SPD
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