



RISK ADVISORY

Office of the State Auditor | Brian S. Colón, Esq., CFE, State Auditor

MITIGATING RISK IN OVERTIME PRACTICES OF POLICE & PUBLIC SAFETY DEPARTMENTS

The Office of the State Auditor (OSA) issues this Risk Advisory to alert Police, and all other Public Safety Departments in the State of New Mexico where policing is the primary role of the organization, of risks related to the management of occupational overtime. The objective of this advisory is to provide these agencies and entities with guidance and best practices in an effort to combat the risks associated with occupational overtime practices and misuse. The OSA advises reviewing internal controls and developing procedures to aid in the prevention and detection of occupational overtime threats that may lead to waste, fraud, and abuse.

Background

The OSA upon receiving reports of alleged abuse concerning the management of police overtime practices with the Albuquerque Police Department (APD), initiated an examination into the allegations. As a result, and consistent with its statutory authority, the OSA has designated the City of Albuquerque (CABQ) for a special audit related to Albuquerque Police Department (APD) overtime practices and internal controls.

Risk Mitigation in Managing Overtime in Public Safety

A study conducted by the National Institute of Justice in May 1998 states that “overtime work has been generally viewed from inside and outside the criminal justice community as overused, misused, and inadequately regulated.”¹ Performance audits and other examinations testing the use of police overtime are commonplace in governance nationwide.

The OSA, upon its review of certain police department policies and procedures, has revealed risks directly associated with police overtime practices. The risks, from an assessment perspective, may exist and extend to other public safety departments by nature of overtime practices. Therefore, the OSA is providing this advisory to police departments and all other public safety organizations statewide on the high-level risks.

It is critical that organizational management lead in all efforts that support proper behavior and adherence to internal controls by establishing an ethical tone at the top. In doing so, management sets a trickle-down effect ensuring police departments and all other public safety organizations operate soundly. A transparent environment of open and honest overtime reporting is essential to public safety and protection of taxpayer funds.

The OSA strongly suggests police departments and all other public safety organizations review the risks and recommendations provided. Practices for managing overtime may vary widely across agencies and the recommendations, as written are intended to provide guidance to address any variances. Internal controls to aid in the management of overtime practices are critical to mitigating risk and help safeguard agencies and organizations to further its operational objectives purposefully.

1: Bayley, D. H., & Worden, R. E. (n.d.). Police Overtime: An Examination of Key Issues (United State of America, U.S. Department of Justice, Office of Justice Programs). Retrieved from <https://www.ncjrs.gov/pdffiles/167572.pdf>



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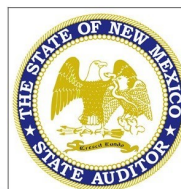
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Risks and Recommendations

- ◆ **Risk: Weak internal controls and/or internal controls that are easily overridden or ignored.**
- ◆ Recommendation: Agencies should review internal controls concerning overtime practices and search for potential vulnerabilities.
 - ◇ E.g.: review for gaps in monitoring and approval of overtime;
 - ◇ Review current policies to ensure alignment with current practices;
 - ◇ Management should refrain from any override of internal controls and should not operate outside of the internal controls. If override is necessary, supporting documentation must be provided and retained.
- ◆ **Risk: Weak policies concerning the retention of documentation and support.**
- ◆ Recommendation: Agencies should ensure current policies include a high-level of standard in maintaining overtime documentation.
 - ◇ E.g.: retain all documentation to support overtime assignments and requests including, but not limited to: paid, unpaid, compensation time, special events, court appearances, and off-duty details.
- ◆ **Risk: Weak and/or no exception policies in place leading to ad hoc controls.**
- ◆ Recommendation: Ensure preventive and detective controls are in place; ad hoc controls are insufficient.
 - ◇ E.g.: Segregation of duties and appropriate access to overtime management software must be implemented.
 - ◇ Limit manual processing of overtime control procedures to the greatest extent possible;
 - ◇ Ensure cross-functional training is effectively and consistently applied for each shift supervisor and management.
- ◆ **Risk: Weak or limited training on overtime practices.**
- ◆ Recommendation: Conduct regular training to ensure staff is fully briefed on overtime practice policies and procedures.
 - ◇ E.g.: Training should include, but is not limited to: proper use of code, running overtime data reports, policy updates, system updates as a result of software upgrades/updates, documenting proper staffing assignments, monitoring approvals to account for overlapping OT.

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