



CITY OF SAN ANTONIO

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April 27, 2006

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Councilman, District 10

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City Manager

Michael Bernard
City Attorney

William McManus
Chief of Police

Ladies and Gentlemen:

RE: City Management's Corrective Action Plan Report and the Review of San Antonio Police Department Special Compensation Payments

We are pleased to attach for your review the report for an audit of the San Antonio Police Department Special Compensation (SAPD) Payments. The objective of the audit was to determine if special compensation was paid to Police Officers in compliance with the collective bargaining agreement between the City and the San Antonio Police Officers' Association. The Governance Committee authorized the City Auditor's Office to perform a review of the special compensation paid to Uniformed Personnel in the Police Department. Over 1,900 public safety employees are impacted by this special compensation totaling \$7.2 million in fiscal year 2004.

The report highlights potential cost savings by applying a more restrictive interpretation of the Police Officers' Collective Bargaining Agreement related to eligibility for special compensation payments for Educational Incentives (potential savings \$892,500 per year), payments to Officers on active military duty leave (potential savings \$140,000 per year), and special compensation payments to civilian personnel (potential savings \$97,000 per year). Additionally, the report recommends that SAPD consider changes to the Field Training Officer Program to achieve savings of more than \$57,000 per year.

City Management and SAPD have agreed or partially agreed with four of the eight recommendations included in this report. We encourage the Mayor and City Council to evaluate Management's reasons for partially accepting or for declining the recommendations proposed as a result of this audit. The educational incentives for Police Officers are greater than those offered to Fire Fighters, see Attachment C on page 23. Also, the SAPD educational incentives are more lucrative than those offered to police personnel in Dallas, Austin, and Fort Worth. Whether SAPD, SAFD or City Civilian personnel, the educational incentives guidelines used for awards should be consistent, and they are not as of this time. Today, many public and private sector firms require that education incentives must be for job related

courses/curriculum. Exhibit G on page 13 summarized for a time period the types of degrees and approximate cost to the City for degrees that do not reasonably appear job related.

The Field Officer Training Program, as shown on page 11 Exhibit E, includes compensation to twenty supervisory or administrative Police Officers. They supervise the 78 Officers who actually perform the training. The FTO Incentive is paid for twelve months; however, the training does not take place year round. No data was provided during or subsequent to the audit to support the cost effectiveness and/or efficiency of the current FTO scheduling pattern as shown on page 12 Exhibit F.

We still believe that the current practice for certifying Police Officers is in conflict with the Texas Administrative Code and the governing Statute. This date is critical due to the one year work experience requirement to attain basic certification. A timeline to explain this has been shown as Exhibit H on page 15. Having this additional six months of on-the-job training is critical for public safety positions; however, Management's response did not address this safety issue. Also, SAPD Management did not provide any analysis or data for review to demonstrate that this is a more cost effective practice, or that this is consistent with other local government practices.

As the budget cycle for fiscal year 2007 approaches, the Mayor and City Council have an opportunity to evaluate other options for dealing with Police Personnel compensation. Since the bargaining agreement will end on September 30, 2006, negotiations can address implementing payroll business process efficiencies and costs savings. Simplification of the compensation schedule for Police Officers could result in substantial manual and automated processing savings while simultaneously improving data reliability. In their response to recommendation 6, see page 4 of 4, Management concurs that "SAPD has the most difficult payroll system in the City."

The City Council could approach the planning processes for 2007 with a new pay structure for Police Personnel that incorporates into base pay a number of the special compensation categories. This would of course mean that the City adopts some of these as job requirements for various levels within the new pay structure. The most likely candidates for this transition include:

- Longevity Pay – as required by Texas Local Government Code
- Certification Pay – Police Officer Certification issued by the State
- Language Skill Pay – bilingual ability for any language
- Educational Incentive Pay – higher education degrees and college credits
- Special Assignment – Field Training Officers, SWAT, Helicopter, etc

For comparison purposes, Attachment B on page 22 shows that Dallas, Austin, and Fort Worth have streamlined their incentive compensation categories which have resulted in higher base salary levels.

We encourage you to review Management's Corrective Action Plan and the summary of recommendations. The Internal Audit Department appreciates the opportunity to have performed this review because it has highlighted areas for reductions in expenditures for Police Personnel compensation or cost savings, and opportunities for enhancement of internal controls. We are available to discuss this material with you individually at your convenience.

Sincerely,



Patricia M. Major CPA, CIA, CTP, CGFM
City Auditor
San Antonio, Texas

cc: Pat DiGiovanni, Deputy City Manager
Erik Walsh, Assistant City Manager
Tyrone Powers, Assistant Police Chief
Leticia Vacek, City Clerk

CITY OF SAN ANTONIO
INTERNAL AUDIT DEPARTMENT

Audit of San Antonio Police Department (SAPD)
Special Compensation Payments

Project No. AU05-009

Issue Date: April 27, 2006

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EXECUTIVE SUMMARY

Overview

A review of the SAPD's special compensation payroll has been completed. The objective of this audit was to determine if special compensation was paid to Police Officers in compliance with the Collective Bargaining Agreement (CBA) between the City and the San Antonio Police Officers' Association. The review included payroll business processes, including those related to the Legacy Systems and the Enterprise Resource Management System (ERM/SAP).

The report includes background information to assist the reader in understanding the complexity of the SAPD payroll. The City will be entering into negotiations with the San Antonio Police Officers' Association as the current CBA expires on September 30, 2006. Various issues presented in this report should be considered by City Council and Executive Management when determining objectives for labor/management negotiations. The special compensation component of the CBA resulted in payroll expenditures of nearly \$7.2 million in Fiscal Year 2004, and impacted as many as 1,990 Police Officers as shown in **Exhibit C** on page 5.

Attachment A beginning on page 19 presents approximate compensation ranges for various Police Officers by rank and years of service that illustrates the impact of special compensation. **Attachment B** on page 22 compares the SAPD Police Officer compensation structure to other Texas cities, highlighting the similarities and differences. **Attachment C** on page 23 compares the pay structure of the SAPD with the San Antonio Fire Department to highlight consistencies and inconsistencies in CBA special compensation issues.

Results In Brief

The SAPD is generally in compliance with provisions of the CBA related to the payment of special compensation incentives. However, the review did identify specific instances of noncompliance and several opportunities to reduce payroll costs as described below.

Following the implementation of ERM/SAP in the fall of 2004, many payroll errors occurred within SAPD which required considerable resource allocations to correct. This has been exacerbated by the lack of an interface between ERM/SAP and the SAPD proprietary payroll database known as PPTE. Due to the difficulty in utilizing ERM/SAP, the SAPD Accounting, Payroll and Personnel office reverted back to the manual calculation of overtime reported on paper time cards. Also, during this time, temporary employees were hired to assist with the workload. The complexity of SAPD payroll contributes to the difficulty in utilizing ERM/SAP effectively.

Recommendations are summarized as follows:

The Chief of Police should comply with the provisions of the Collective Bargaining Agreement (CBA) and discontinue special compensation incentive to ineligible civilian personnel, including the Chief of Police and Cadets attending the Police Academy. The City Manager should document the compensation package for the Chief of Police. The payment of special compensation incentives to civilians totaled over \$97,000 during Fiscal Year 2004. (Recommendation 1, Page 9)

The Chief of Police should consider changes to the Field Training Officer (FTO) Program to achieve cost savings by reducing the number of FTO positions; by changing the scheduling; and by limiting the incentive payment to months of active training. Currently, the number of SAPD Officers participating in the program exceeds the CBA requirements. Reducing the number of FTOs to the minimum number required by the CBA would result in savings of more than \$57,000 per year. Reducing the number of FTOs to the minimum number actually required would further enhance cost savings. (Recommendation 2, Page 12)

The City Manager should ensure that payment of a monthly Educational Incentive is based on completed college degrees or college credits related to law enforcement as stated in Article 31 of the CBA. Restricting the payment of monthly Education Incentives to Officers with college degrees related to law enforcement may save the City \$892,500 per year as shown in **Exhibit G** on page 13. (Recommendation 3, Page 14)

The Chief of Police should ensure compliance with provisions of the Texas Commission on Law Enforcement Handbook which states "The Oath of Office, required by the Texas Constitution, Article 16, is administered by appropriate authority...This is the document that officially makes the person an officer, usually referred to as commissioning". The date of oath of office as a Peace Officer should be reported to TCLEOSE as the date of appointment to meet the requirement of one year's experience as Peace Officer as required by Title 37 of the Texas Administrative Code, Part 7, §221.3(a) (Recommendation 4, Page 16).

The Chief of Police should revise the City policy related to payroll and special compensation to include directives on the payment of monthly incentives while a City employee is on active military duty leave. Requiring Officers to work at least half of a monthly full-time schedule to qualify for special compensation incentives would have reduced costs by approximately \$140,000 in Fiscal Year 2004. (Recommendation 5, Page 17)

The Chief of Police should strengthen several internal control weaknesses by developing, approving, implementing, and ensuring compliance with procedures that address:

- Maintaining records
- Reconciling incentive payments to eligibility records; and
- Segregating incompatible duties related to approval of transactions, record keeping, and custody of assets.

(Recommendation 6, Page 18)

As the budget cycle for fiscal year 2007 approaches, the Mayor and City Council have an opportunity to evaluate other options for managing Police Officer compensation. Since the bargaining agreement will end in 2006, negotiations can address implementing payroll business process efficiencies and cost savings. Simplification of the compensation schedule for Police Officers could result in substantial processing savings while simultaneously improving data reliability. The City Council could approach the planning processes for 2007 with a new pay structure for Police Personnel that incorporates into base pay a number of the special compensation categories. This would of course mean that the City adopts some of these as job requirements for various levels within the new pay structure. The most likely candidates for this transition include:

- Longevity Pay – as required by Texas Local Government Code
- Certification Pay – Police Officer Certifications issued by the State
- Language Skill Pay – bilingual ability in any language
- Educational Incentive Pay – higher education degrees and college credits
- Special Assignment – Field Training Officer, SWAT, Helicopter, etc.

Background

The Fiscal Year 2005 adopted budget funded 2,862 positions at the SAPD, including over 2,050 sworn Police Officers. The Department's operating budget for 2005 exceeded \$259 million. This funding was used to accomplish its responsibility to uphold the law, deter crime and protect the public.

Base salaries, benefits and various special compensation incentives for SAPD Officers are governed by the Collective Bargaining Agreement (CBA) between the City of San Antonio and the San Antonio Police Officers' Association. The current agreement is effective for the period October 1, 2002, through September 30, 2006.

Police Officers receive monthly base salaries dependent upon position, rank, length of service and education. Base salary is supplemented by longevity pay, which is three percent of base pay for each five year increment of service up to 30 years. On each Officer's anniversary date which is not a multiple of five, the Officer receives an \$8 increase in longevity pay per month.

The CBA includes provisions for special compensation. These special compensation incentives are based on education, certification, work assignment, language skills and clothing. Texas Local Government Code Chapter 143 does not require that incentives be offered. However, if incentives are offered, the criteria for earning incentives must be clearly established and equally applied to all Police Officers.

Texas Commission on Law Enforcement Officer Standards and Education (TCLEOSE) Peace Officer Certifications

TCLEOSE is the State Agency that establishes standards for Peace Officer Certifications. This Agency has established standards whereby education can be substituted for work experience. **Exhibit A** shows how an Officer with a college degree can substantially reduce the work experience requirement for certification.

Exhibit A

Requirements for Earning TCLEOSE Peace Officer Certification				
Certification Level	Without a College Degree		With a College Degree	
	Years of Work Experience	Training Hours	Years of Work Experience	Degree
Basic	1	400	1	Associate
Intermediate	8	400	2	Bachelor
Advanced	12	800	5	Bachelor
Master	20	1,200	5	Doctoral

Cadets

The SAPD Training Academy generally holds two cadet classes per year. Cadets are classified as civilian employees and are not entitled to special compensation incentives per CBA Article 24. In October 2004, base pay for Cadets was \$2,300 for the month.

Probationary Police Officers (PPO)

After graduation from the Training Academy, Cadets take their Oath of Office and are reclassified as Probationary Police Officers. PPO starting pay as of October 2004 was \$2,676 per month, or \$32,112 annually. Each PPO is scheduled for fourteen weeks of training through the Field Training Officer (FTO) Program. PPOs are eligible for certain special compensation incentives and overtime pay; however, they are not eligible to receive compensation for special assignments.

After 30 weeks, successful PPOs are reclassified to Police Officer-Class A at a base salary of \$36,960 per year as of October 2004. After one year, an Officer-Class A with 31 college credit hours will be reclassified as an Officer-Class B at a base salary of \$44,484, or a 20 percent increase. See **Attachment A** for a listing of pay rates by classification for SAPD Police Officers.

After one year of on-the-job experience, Officers receive the Basic Peace Officer Certification from TCLEOSE and become eligible for the Basic Certification Incentive of \$30 per month as of April 2005.

Special Compensation Incentive Pay as of Spring 2005

The CBA contains many special compensation incentives available to Police Officers as described below.

- Educational Incentive is paid to Police Officers who have earned a degree from an accredited university or have completed a minimum of 65 college credit hours.
- Peace Officer Certification Incentive is based upon the level of the certification obtained from the TCLEOSE. Of the 1,967 SAPD Officers receiving this incentive in December 2004, 510 were at the basic level, 75 held the intermediate level, 484 were at the advanced level, and 898 held the master level certification.
- Clothing Incentive is paid at \$40 per month for each Officer. Probationary Police Officers receive a one time payment of \$480 in their first month to offset the cost of uniforms.
- Field Training Officer (FTO) Incentive is paid at \$265 per month or \$3,180 per year for assignment to the FTO Program. FTOs are responsible for completing the field training of Probationary Police Officers.
- Language Skill pay is available to Police Officers based upon criteria outlined in City Administrative Directive 4.38. This incentive is paid at the rate of \$50 per month.
- A Car Allowance of \$300 per month is paid to those Officers with a rank of Lieutenant or above who do not have a take-home car assigned to them. Those who choose to have a car are assigned an unmarked vehicle with less than 10,000 miles on the odometer.
- Stand-by Incentive of \$157 per month is paid to Officers assigned to certain specialty teams such as SWAT, Hostage Negotiators, K-9, and Bomb Squad.
- Officers assigned to the Blue EAGLE Helicopter Team earn \$157 in monthly incentive.
- The Volunteers in Policing (VIP) Program allows citizens to assist the SAPD in events such as Warrant Drives. SAPD pays VIP Incentive of \$157 per month to six Officers who organize over 8,000 volunteers.

Longevity pay is three percent of base pay for each five year increment of service up to 30 years. On each Officer's anniversary date which is not a multiple of five, the Officer receives an \$8 increase in longevity pay per month. Texas Local Government Code §141.032 states that Officers are entitled to longevity pay at a rate \$4 per month for every year of service not to exceed 25 years. The City pays longevity pay at a much higher rate than is required by law.

Exhibit B summarizes the special compensation available to SAPD Police Officers through September 2006. Educational and Certification Incentives will increase in April 2006.

Exhibit B

Category	Requirements	Monthly Compensation	
		April 2005	April 2006
Educational	College Hours (65 to 230 hours)	\$45 to \$225	\$60 to 240
	Associates degree	\$200	\$215
	Bachelors degree	\$300	\$315
	Masters degree	\$320	\$335
	Doctorate	\$335	\$350
TCLEOSE Certification	Basic	\$30	\$50
	Intermediate	\$130	\$160
	Advanced	\$170	\$200
	Master	\$210	\$240
Clothing	New Officers—one time payment	\$480	No change
	All Officers	\$40	No change
Field Officer Training	Assignment to the program. CBA requires 80 FTOs plus Coordinator.	\$265	No change
Language Skills	Proficiency per Administrative Directive 4.38	\$50	No change
Car Allowance	Take-home unmarked car or monthly incentive	\$300	No change
Stand-by	Assignment to SWAT, Hostage, K-9 or Bomb units	\$157	No change
Blue EAGLE Helicopter	Assignment to Blue EAGLE team	\$157	No change
Volunteers in Policing	Assignment to VIP Program	\$157	No change

Exhibit C summarizes estimated and actual expenditures related to the incentives that were included in the scope of this review.

Exhibit C

Incentive Category	Approximate Number of Police Officers Receiving Compensation (September 2004)	FY 2004 Estimated Expenditures	FY 2004 Actual Expenditures	Variance
Educational	1,113	\$2,541,907	\$2,625,307	\$ (83,400)
TCLEOSE Certification	1,990	2,688,321	2,622,614	65,707
Clothing	1,982	984,188	969,051	15,137
Field Training Officer	98	337,080	318,806	18,274
Language Skills	487	395,000	398,350	(3,350)
Car Allowance	27	90,000	112,136	(22,136)
Stand-by*	76	109,272	142,388	(33,116)
Totals	-	\$7,145,768	\$7,188,652	\$ (42,884)

*Stand-by includes: SWAT, Blue Eagle Helicopter, VIP, Hostage, Bomb, and Canine units.

Organizational Structure and Procedures

The SAPD Resource Management Division is responsible for ensuring accurate payment of incentives to Officers. The Officers who establish policy related to the payment of special compensation incentives are eligible to receive special compensation themselves. Neither the City Human Resources nor the Finance Departments are involved in establishing or enforcing many of the SAPD payroll policies.

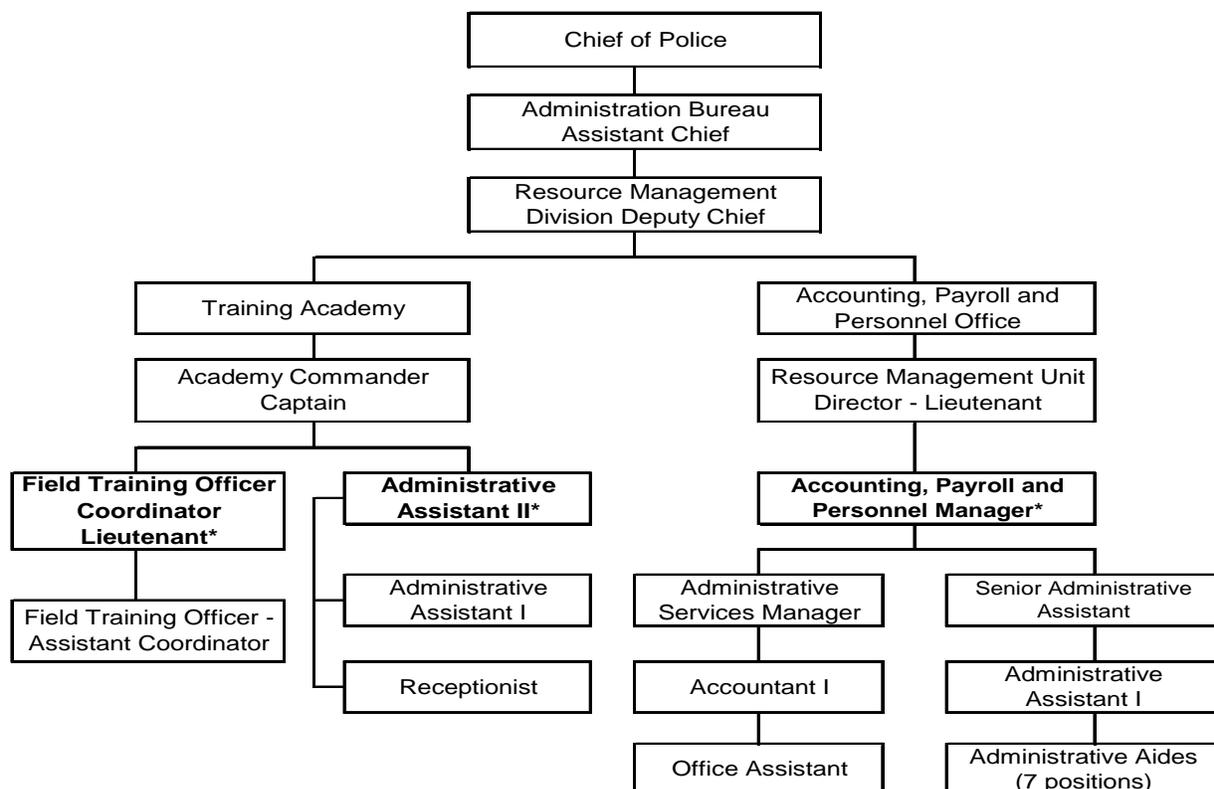
With the implementation of the ERM/SAP System, the responsibility for authorizing and entering incentive information in the System was shared by the Training Academy and the Accounting, Payroll, and Personnel Office.

The Training Academy manages the Educational, Certification, and Field Training Officer Incentives. Upon receipt of transcripts or copies of diplomas, an Administrative Assistant II reviews documentation and inputs the Educational Incentives and Tuition Reimbursement into ERM/SAP. After receiving Peace Officer Certificates from TCLEOSE, the Administrative Assistant II enters the Certification Incentive into ERM/SAP. A Lieutenant assigned as the FTO Program Coordinator updates ERM/SAP with changes to the FTO Program. The Lieutenant is also involved in selecting Officers who will be assigned to or dropped from the FTO Program, and for preparing the training schedule.

The SAPD Accounting, Payroll, and Personnel Office manages Clothing, Language Skills, Car Allowance, and Stand-by Incentives. Openings on any of the specialty teams—SWAT, Bomb, K-9, Hostage Negotiators, Helicopter and VIP are announced within the SAPD. When a selection is made, an interoffice memo is sent to the Accounting, Payroll and Personnel Manager. The Manager or his Staff will update ERM/SAP to add the incentive to the Officer’s pay.

Exhibit D is an organizational chart showing personnel from the two sections responsible for incentive pay.

Exhibit D



*Highlighted positions are responsible for data input of special compensation.

Objectives

The objectives of the review were to:

- Determine if special compensation is paid in accordance with the CBA and applicable City policies.
- Determine if internal controls related to the payment of special compensation are adequate and effective.

Scope

The scope of the review covered SAPD payroll transactions related to special compensation. The review was intended to cover special compensation related payroll transactions that occurred between October 2002 and December 2004. This review did not include auditing base pay, overtime, or longevity pay for Police Officers.

Scope limitations were encountered during in this audit.

- The City Information Technology Services Department (ITSD) could not readily provide payroll information for Fiscal Year 2003 to the audit team. As a result, the review focused on payroll transactions from the Legacy Payroll System in Fiscal Year 2004, and ERM/SAP payroll transactions in the first quarter of Fiscal Year 2005.
- Complete payroll registers for the SAPD could not be accessed using ERM/SAP for the three month period October through December 2004. As a result, some test procedures that were performed on the September 2004 (Legacy) payroll could not be performed for the October through December 2004 (ERM/SAP) payroll.

Criteria

This review was based upon terms of applicable laws related to municipal police compensation, the current CBA, Departmental Policies, other procedures and practices communicated to the auditors, and other sound administrative practices.

Methodology

The audit methodology consisted of collecting information and documentation, conducting interviews with SAPD Management and Staff, performing selected tests and other procedures, and analyzing and evaluating the results of the tests. For this audit, Police Officer special compensation paid by other municipalities was researched. A comparison of special compensation among various cities is included as **Attachment B**. A comparison of special compensation paid by the San Antonio Fire and Police Departments is presented as **Attachment C**.

During this audit, sampling techniques were used to select transactions for detailed testing. These techniques include statistical and judgmental sampling.

The review was performed in compliance with generally accepted government auditing standards issued by the U.S Government Accountability Office.

Government Auditing Standards require a peer review of an audit practice at least once every three years by reviewers independent of the organization. The City's Internal Audit Department had a peer review in July 2001 and another in August 2005 while this audit was in progress.

Conclusion

The SAPD is generally in compliance with provisions of the CBA related to the payment of special compensation incentives. However, the audit did identify specific instances of noncompliance and several opportunities for substantial payroll cost savings.

- Ineligible personnel were paid special compensation incentives, including the Chief of Police and Cadets attending the Police Academy. The payment of special compensation incentives to ineligible personnel totaled over \$97,000 during Fiscal Year 2004.
- The Field Training Officer (FTO) Program is not operating efficiently. The number of SAPD Officers participating in the program exceeds the CBA requirements. Reducing the number of

FTOs to the minimum number required would result in savings of more than \$57,000 per year. Further cost reductions may be achieved by paying FTO incentive only in months in which training occurs and changing the method of assigning Probationary Officers to FTOs.

- Police Officers may earn a monthly Educational Incentive based on college degrees held or for certain numbers of college credits completed. The CBA does not require college degrees to be related to law enforcement. The SAPD pays monthly Education Incentives for any degree earned from an accredited college or university. In Fiscal Year 2004 the City paid over \$2.6 million to SAPD Officers for monthly Educational Incentives. Restricting the payment of monthly Education Incentives to Officers with college degrees related to law enforcement may save \$892,000 per year as shown in **Exhibit G** on page 13.
- The CBA includes provisions for tuition reimbursement and pay grade advancement based on college credits achieved. The CBA section in which these provisions are described is titled “Law Enforcement Related Courses.” During the period audited, it was the policy of the SAPD to pay tuition reimbursements and grant pay grade advancement to Officers who completed courses at accredited institutions regardless of the courses. Approving tuition reimbursements only for college courses related to law enforcement may reduce costs and provide the City with a police force that is well educated in its profession. Also, in order to receive a pay grade change from Class A to Class B, Officers are required to earn 31 college credits within two years of graduation from the Academy. The SAPD does not require college credits to be related to law enforcement to qualify for the pay grade change.
- SAPD Management’s interpretation of Officer Certification requirements may result in Police Officers being issued Basic Peace Officer Proficiency Certificates with corresponding Basic Certification Incentive six months before they meet State requirements. The potential premature payment of Basic Certification Incentive to Officers was approximately \$8,000 in Fiscal Year 2004. This amount will vary annually depending on the number of new Officers who join the SAPD, and the incentive amount paid per month for Basic Certification.
- Officers who are called to active duty military service are allowed to work at their SAPD job on their Military Relief Days. These Officers earn full monthly incentives for working as little as an eight hour shift during the month. Also, Officers on military leave are not paid special compensation incentives consistently from month to month. Requiring Officers to work at least half of a monthly full-time schedule to qualify for special compensation incentives would have reduced costs by approximately \$140,000 in Fiscal Year 2004.
- Several internal control weaknesses were identified including a lack of procedures for reconciling incentive payments to eligibility records, and a lack of segregation of incompatible duties.

Based on an Enterprise Risk Assessment Capability Matrix it was determined that the maturity level of the SAPD payroll Technology Capabilities were at a *Repeatable Stage* as systems and technology are not interfaced to meet the needs of the organization. A more detailed description of the capability stages has been included as **Attachment D**. Most entities achieve at least the managed stage while fewer achieve the optimized stage for mature processes.

Using the Enterprise Risk Assessment Capability Matrix for People Capabilities, the personnel at the Training Academy would be rated as “Defined—Experienced personnel in most areas, but limited bench strength.” Their Process Capabilities would also be rated as “Defined—Procedures are well documented, but are not regularly updated to reflect changing business needs.”

From the limited observation of personnel in the Accounting, Payroll and Personnel Office it is difficult to rate capabilities on the People Capabilities scale. In conducting this audit, the Accounting, Payroll and Personnel Manager limited contact with other personnel. Based on observation, the Process Capabilities rating would be “Ad Hoc—No Formal procedures exist.”

Detailed Observations and Recommendations

1. Special Compensation Incentives Paid to Ineligible Personnel

Certain persons are explicitly excluded from the provisions of the CBA, including the Police Chief and Cadets. Article 2 of the CBA defines an Officer as “any sworn Police Officer employed in the Police Department of the City, with the exception of the Chief of Police.” Article 24 says that Cadets are civilians and are not part of the bargaining unit.

The City paid over \$97,000 in special compensation incentives to the Chief of Police and Cadets in Fiscal Year 2004.

In Fiscal Year 2004 the Chief of Police received Educational, Certification, Clothing, and Car Allowances totaling \$10,687, including:

- \$3,377 in Educational Incentive
- \$2,030 in Certification Incentive
- \$480 in Clothing Incentives
- \$4,800 in Executive Car Allowance
- A take-home car

An inquiry of City Management in May 2005 indicated that there should be written documentation for the Chief’s compensation. This material was not provided at the time.

Cadets received Educational and Clothing Incentives totaling \$86,793 in Fiscal Year 2004, as follows:

- \$46,953 in Educational Incentive
- \$39,840 in Clothing Incentive.

Risk

The City is not in compliance with the CBA when ineligible personnel are paid incentives that should be restricted to Police Officers. This results in an unnecessary expense to the City of almost \$60,000 annually. Clothing Incentives paid to Cadets are not included in the calculation of unnecessary expense since the Clothing Incentives would have been paid when the Cadets became Probationary Officers.

Recommendation

The Chief of Police should ensure that the SAPD complies with the provisions of the CBA by discontinuing special compensation incentive payments to Cadets. The Chief should consider if Educational Incentives paid to Cadets should be recouped.

The City Manager’s Office should document the compensation package for the Chief of Police.

2. Field Training Officer Program (FTOP)

The primary purpose of the FTOP is to complete the education and training of Probationary Police Officers. Field Training Officers are paid a monthly incentive of \$265. The approximate cost of FTOP Incentives during Fiscal Year 2004 was \$319,000. The FTOP is managed by a Coordinator, who is a Police Lieutenant, and one Assistant, who is a Sergeant.

Each Probationary Police Officer must successfully complete all four phases of the fourteen week Program. In phases one, two and three, Probationary Officers are assigned to ride with one FTO from each shift—day, evening, and night. Training phases one through three each last one month. The final two weeks of the Program is the evaluation phase.

Currently, all Probationary Police Officers are assigned to the same shift during each training phase. Assigning all Probationary Officers to the same shift creates a need for more FTOs on that shift. If one-third of the Probationary Officers were assigned to each shift they could be rotated among fewer FTOs. This could substantially reduce the number of FTOs needed and consequently reduce costs to the City.

Further cost reductions could be achieved by restricting FTO Incentive payments to months of active training. The current practice is to pay the incentive to FTOs assigned to the Program whether they are training Probationary Officers or not.

The CBA requires a minimum of 80 FTOs in the program. In September 2004, there were approximately 98 full-time FTOs. This includes 20 administrative/supervisory personnel and 78 trainers. In addition there were 65 Alternates who fill in for FTOs as needed. The actual number of FTOs needed and utilized is dependent on the number of Cadet classes per year and the size of each class. The number and size of Cadet classes has steadily declined since 2002. In 2002, there were 140 Cadets in four classes averaging 35 Cadets each. In 2004, there were 57 Cadets in two classes averaging 29 Cadets each.

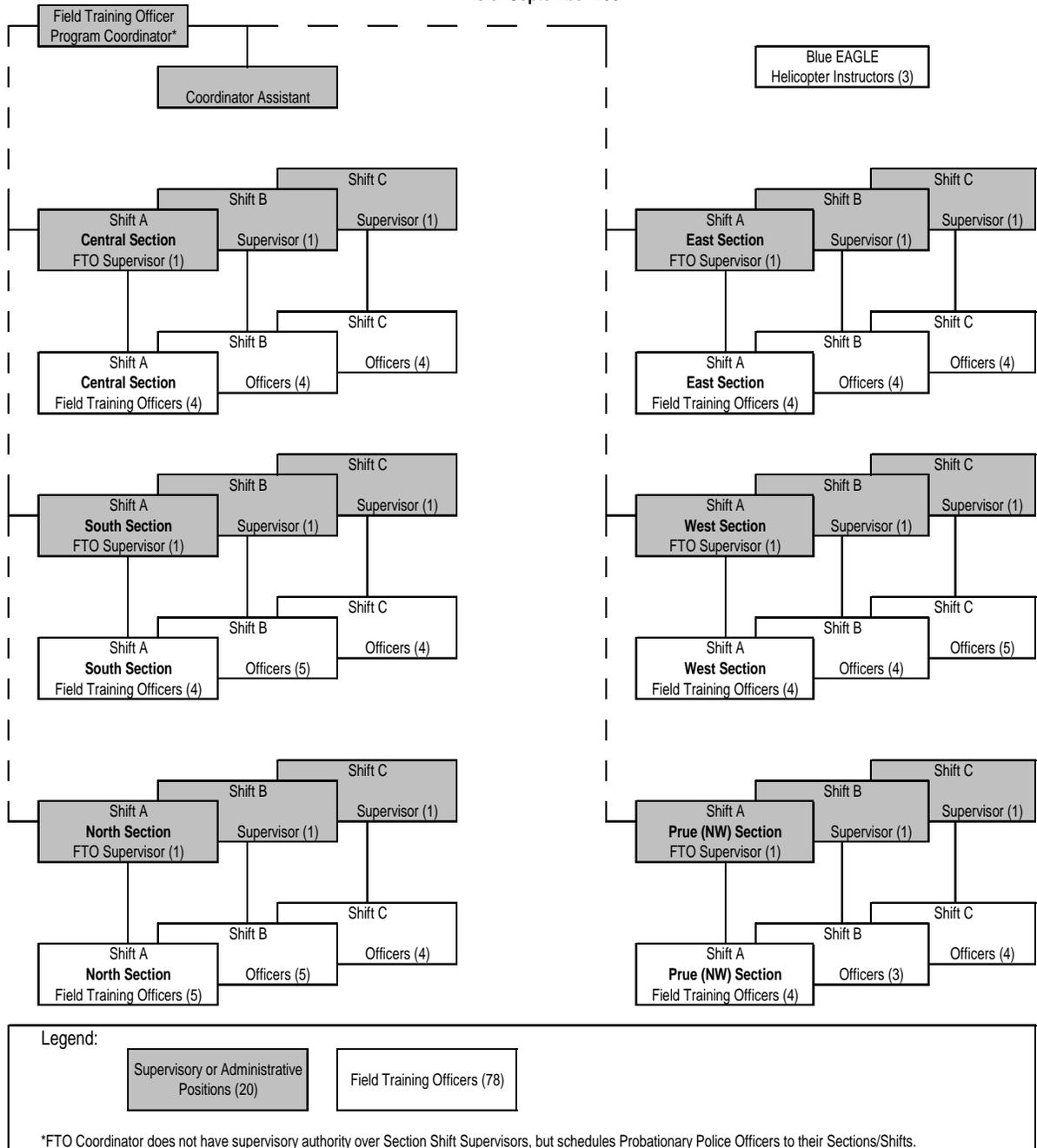
The CBA does not address the organizational structure of the FTO Program, except for the Coordinator position; and the CBA does not address paying the incentive to supervisors of FTOs. Eighteen Supervising Officers who received the FTO Incentive did not actively participate in the training of Probationary Police Officers in Calendar Year 2004. The cost of incentives for eighteen Officers for the year is \$57,240. Also, the CBA does not address the payment of the incentive to an Assistant to the FTO Coordinator. The Assistant currently receives \$3,180 per year in FTO Incentives.

The SAPD has six service areas. Each service area has one Supervisor and usually four FTOs for each of three shifts. The Blue EAGLE Helicopter Team has three FTOs assigned to conduct training for its pilots. Including the Coordinator and an assistant, there are twenty administrative and supervisory positions for the seventy-eight trainer positions. **Exhibit E** on the following page shows the FTOP structure.

Exhibit E

**Field Training Officer Program
 Overview**

As of September 2004



Risk

The City is missing opportunities to increase efficiency and reduce payroll costs.

Recommendation

The Chief of Police should consider changes to the FTO Program. The City could reduce the cost of the FTO Program by linking the number of FTOs to the number of Cadets coming out of the Academy. As class sizes change, so could the number of Officers in the FTO Program.

The Chief of Police should review the FTO Program to determine the actual number of FTOs needed for training purposes. FTO assignments should be reduced to the minimum level necessary to effectively administer the program while complying with the CBA minimum of eighty FTOs. The Chief of Police should split Probationary Officers among day, evening and night shifts so that the number of FTOs could be reduced.

As illustrated in **Exhibit F**, under the current method of scheduling, 24 Probationary Officers are assigned to shift A at the same time and each are paired with an FTO. A month later, they are all assigned to shift B and paired with different FTOs. The following month they are all assigned to shift C. This requires 24 FTOs on each shift. If eight of the 24 Probationary Officers were assigned to each shift, the number of FTOs on each shift could be reduced from 24 to eight. The training for phases one through three could be accomplished by 24 FTOs rather than the 72 it requires when Probationary Officers are not split among shifts.

Exhibit F

Current FTO Scheduling Pattern

	Shift A	Shift B	Shift C
Training Phase 1	24 PPOs		
Training Phase 2		24 PPOs	
Training Phase 3			24 PPOs
Training Phase 4	24 PPOs		

Recommended FTO Scheduling Pattern

	Shift A	Shift B	Shift C
Training Phase 1	8 PPOs	8 PPOs	8 PPOs
Training Phase 2	8 PPOs	8 PPOs	8 PPOs
Training Phase 3	8 PPOs	8 PPOs	8 PPOs
Training Phase 4	8 PPOs	8 PPOs	8 PPOs

The Chief of Police should consider limiting the payment of the FTO Incentive to months that FTOs are actively training Probationary Police Officers.

The Chief of Police should discontinue FTO incentive payments to the Assistant to the FTO Coordinator until the CBA is revised to address these payments.

3. Education Incentives - Law Enforcement Related Degrees and Courses

To promote a well educated workforce, the CBA includes incentives for Officers who achieve certain education levels. Financial incentives related to college education include monthly incentives, higher base pay and tuition reimbursement.

Monthly Educational Incentives – CBA Article 31, Section 1

Officers are paid a monthly incentive based on college degrees held or for certain numbers of college hours completed. The CBA does not require college degrees to be related to law enforcement. The SAPD pays monthly Education Incentives for any degree earned from an accredited college or university.

A sample of 49 SAPD Officers was selected from the 1,113 monthly Educational Incentive payments made in September 2004. Personnel records of the selected Officers were reviewed to determine the type of degree held. In the sample of Officers reviewed, 34 percent were receiving Educational Incentive for college degrees that are not related to law enforcement. Projecting this result to the \$2.6 million paid for Educational Incentives during Fiscal Year 2004, \$892,500 may have been paid for college degrees that are not related to law enforcement. **Exhibit G** is a breakdown of degrees in the sample by field of study.

Exhibit G

Field of Study	Actual Data		Estimated Data
	Number in the sample	Percentage in the sample	Total Estimated Cost for Degrees
Criminal Justice	24	50%	\$1,312,500
Occupational Education (Justice Administration)	8	16%	420,000
Psychology*	3	6%	**157,500
Business*	2	4%	**105,000
Human Resources Development*	2	4%	**105,000
Art*	2	4%	**105,000
Educational Leadership*	2	4%	**105,000
Political Science*	1	2%	**52,500
Wildlife*	1	2%	**52,500
Nursing*	1	2%	**52,500
Electronics*	1	2%	**52,500
Geography*	1	2%	**52,500
Technical Studies*	1	2%	**52,500
Totals	49	100%	\$2,625,000
*Not related to law enforcement			
**Potential cost savings (Σ \$892,500)			

Officer Status Changes and Tuition Reimbursement – CBA Article 31, Section 2

The title of CBA Article 31, Section 2 “Law Enforcement Related Courses,” suggests that financial incentives should be paid only for education that is related to law enforcement. However, the text of CBA Article 31, Section 2 does not state the requirement that courses be related to law enforcement. All courses earned at an accredited institution currently qualify an Officer for pay grade advancement and tuition reimbursement. The fact that tuition reimbursement and Class B pay are discussed under the heading “Law Enforcement Related Courses” seems to indicate that the intent was for college courses to be related to law enforcement.

Officers who earn 31 or more college credit hours within two years of graduation from the Academy are eligible to move from “Class A” to “Class B” Police Officer status. Base pay for Class B is approximately

20 percent more than Class A. Currently, the SAPD accepts any college courses taken at an accredited institution.

Officers are also reimbursed for the cost of college courses that are completed at an accredited institution, regardless of the field of study.

Risk

Paying for college courses and degrees not related to law enforcement may not provide the City with a benefit that is commensurate with the cost.

In Fiscal Year 2004 the City paid over \$2.6 million to SAPD Officers for monthly Educational Incentives. Based on the type of college degrees in the sample, restricting the payment of monthly Education Incentives to Officers with law enforcement related degrees could potentially reduce Educational Incentive costs by \$892,500 per year.

Recommendation

The City Manager should ensure compliance with Article 31 of the CBA. The Chief of Police should enforce the CBA requirement for 31 hours of law enforcement related classes prior to reclassifying Officers to the Class B pay scale and limit tuition reimbursement to courses and degrees related to law enforcement.

To promote a police force that is educated in law enforcement, the monthly Education Incentive should be paid only for college degrees related to law enforcement. The Chief of Police should develop a policy addressing the types of college degrees that will qualify an Officer for the Educational Incentive. The City Manager should approve the policy recommended by the Chief of Police. In the next CBA, the City Manager should include a reference to the policy on the payment of Educational Incentives to Police Officers.

4. Peace Officer Certification - State Law versus TCLEOSE Field Book

The SAPD's manner of reporting to TCLEOSE may result in the Certification of Officers who have not met State requirements. According to Title 37 of the Texas Administrative Code, Part 7, §221.3(a), to qualify for a Basic Peace Officer Proficiency Certificate, an applicant must meet all proficiency requirements, including one year experience as a Peace Officer.

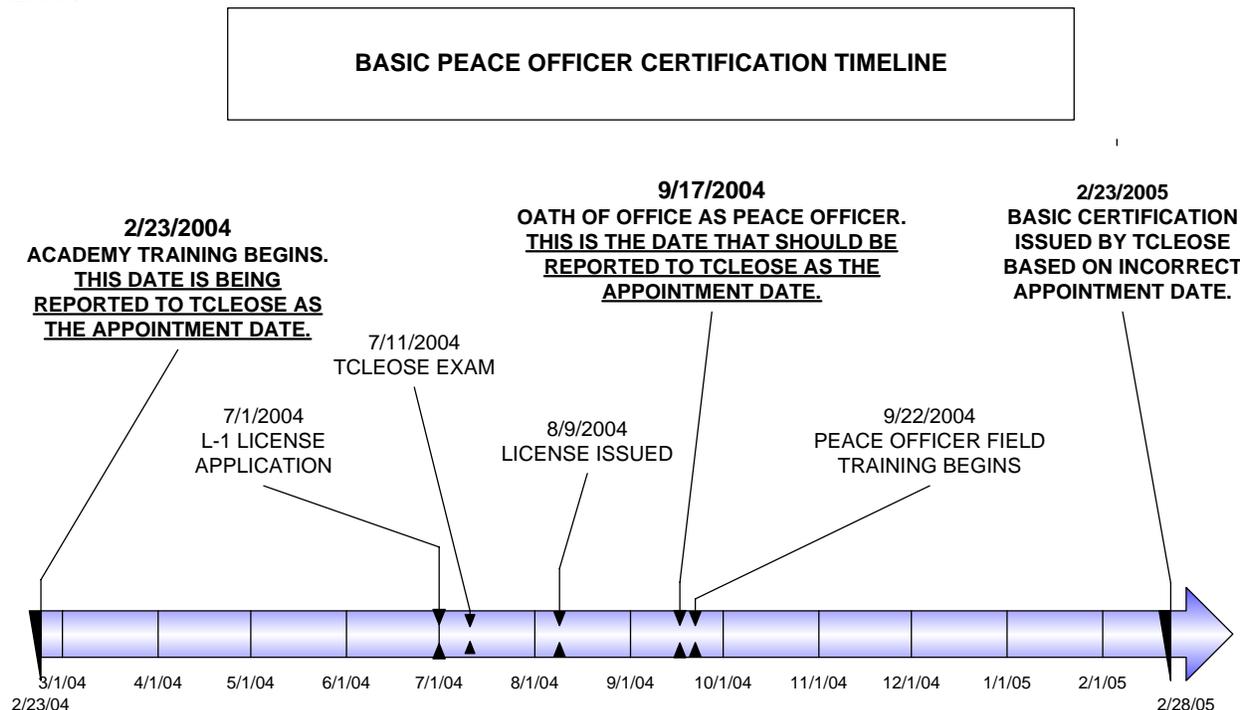
In calculating the one-year experience requirement, officials at TCLEOSE rely on the date of appointment as a Peace Officer reported on the "L-1 License Application" submitted by SAPD. The SAPD reports the date the Cadet entered the Academy Training Program, rather than the date the Cadet was appointed as a Peace Officer (approximately six-months after entering the Academy).

The appointment date reported to TCLEOSE results in SAPD Officers receiving their Basic Proficiency Certificate with only six months of experience as a Peace Officer.

The SAPD bases its appointment date on instructions found in a TCLEOSE field book. However, the TCLEOSE field book conflicts with Texas Administrative Code and the Statute would appear to be a more authoritative source.

Exhibit H was created using actual dates from an SAPD Officer. In providing information to TCLEOSE, SAPD reported an appointment date of February 23, 2004 rather than September 17, 2004. The Basic Peace Officer Certification was issued to this individual in February 2005 based upon the incorrect appointment date provided by the SAPD. The Officer should have received Basic Certification in September 2005.

Exhibit H



Source: Personnel records of an SAPD Officer.

Risk

The City is unnecessarily incurring costs related to Certification Incentives. An estimated \$8,000 in incentives was paid in Fiscal Year 2004 due to the early issuance of Basic Peace Officer Certificates to SAPD Officers. The amount paid will vary from year to year depending on the number of new Officers who join the SAPD, and the incentive amount paid per month for Basic Certification.

Licenses and certifications issued from false information are subject to cancellation by TCLEOSE. The decision to report an early appointment date may be called into question if an Officer receives a Certificate after only six months of experience and is subsequently involved in a questionable activity or incident.

Recommendation

To prevent the issuance of Basic Proficiency Certificates to Officers who have not met State requirements, the Chief of Police should ensure that the official date of appointment as a Peace Officer, the date of oath taken, is used to qualify for the Basic Certification Incentive and that date is reported as required by the State of Texas law. This will require a change in the current practice of reporting the first day of Academy training as the appointment date.

The Chief of Police should ensure compliance with provisions of the Texas Commission on Law Enforcement Handbook which states "The Oath of Office, required by the Texas Constitution, Article 16, is administered by appropriate authority...This is the document that officially makes the person an officer, usually referred to as commissioning". The date of oath of office as a Peace Officer should be reported to TCLEOSE as the date of appointment to meet the requirement of one year's experience as Peace Officer as required by Title 37 of the Texas Administrative Code, Part 7, §221.3(a)

5. Full Incentives Paid to Officers on Active Duty Military Leave

City policy allows an employee to work at the City while on active duty military leave if the employee is stationed locally and has the base commander's authorization. The policy was established by the City Manager after the terrorist attacks of September 11, 2001.

The SAPD utilizes the services of Officers who are on active duty military leave. Officers are compensated straight time for the days worked plus full monthly incentives. Neither City policy nor the CBA addresses the payment of special compensation incentives to Officers who are on active military duty leave.

Due to their other commitments, Officers who are on active duty military leave may work as little as one shift per month. However, if they are eligible to receive special compensation incentives, those incentives are not prorated or otherwise reduced to match the circumstances. For example, an Officer paid at Step A wage, \$17.76 per hour, would normally earn \$142 for an eight hour shift. The same Officer on military leave who works one shift per month could earn \$542; with incentives, the hourly rate jumps to \$67.75.

One SAPD Officer has been on military leave since November 2001. During this period, the Officer worked for SAPD only one day each month and received regular pay plus \$380 of monthly incentives. In March and April 2004, the Officer did not work for the City, yet the monthly incentives were still paid.

In a test of eleven Officers who had been on active duty military leave, all were incorrectly paid monthly incentives. Errors included nonpayment of incentives upon the employee's return from military leave, the payment of monthly incentives when no hours were worked, and the inconsistent payment of monthly incentives during military leave.

The SAPD Accounting, Payroll and Personnel Office has not created written procedures addressing the payment of special compensation incentives for Officers on active military duty leave. This may have contributed to the errors and inconsistent payment of special compensation to Officers on active duty military leave.

Risk

SAPD payroll expenses increase when Officers on active duty military leave are paid full monthly incentives.

In the absence of written procedures approved by management, there is a greater risk of inconsistent, ineffective, and inaccurate performance of job duties.

Recommendation

The Chief of Police should revise SAPD policy related to Officers on active military duty leave to include direction on the payment of monthly incentives. The Chief of Police may want to adopt a policy similar to the San Antonio Fire Department's policy, which requires uniformed personnel to work at least half the month to be eligible for special compensation incentives.

The Chief of Police should develop and implement written procedures to guide SAPD Payroll Staff in the performance of duties when an Officer is activated by the military.

The Chief of Police should review the pay history of those Officers who are currently, or were recently, on military leave and correct any errors identified.

6. Internal Control Weaknesses Related to Special Compensation

It is Management's responsibility to provide an effective system of internal controls to ensure the objectives of the department are met.

During this audit, 738 special compensation payroll transactions were reviewed. Those transactions occurred in September and December 2004 and represented 369 non-duplicative sworn Peace Officers, Cadets, and one civilian. Forty-eight of the 369 employees, or thirteen percent, were incorrectly paid special compensation incentives. These errors included overpayments as well as underpayments. By tracing selected errors to months prior to September 2004, it became apparent that many of the errors continued for several months. For example, an \$8,000 payroll correction was made in December 2004, to compensate an Officer for unpaid Stand-by incentive earned during the period September 2000 through December 2004.

Internal control weaknesses have contributed to the inaccurate payment of special compensation incentives. Significant internal control weaknesses identified during this audit are listed below:

- Lack of procedures for reconciling incentive payments to eligibility records.
The SAPD does not require supervisors to maintain current rosters of specialty team members, nor does it require a reconciliation of incentive payments to rosters. Inaccurate payments and non-payments of incentives may not be detected without periodically reconciling incentive payments to eligibility records, and eligibility records to incentive payments.

In Fiscal Year 2004, two classes of Cadets began receiving the Basic Certification Incentive immediately upon their reclassification to Probationary Police Officer, six-months before they were eligible. Although a comparison of Certification Incentive payments to eligible Officers would have detected this error, the resulting overpayments to ineligible SAPD Officers were not detected until brought to light by this audit.

- In some cases, duties are not segregated or monitored.
The SAPD Accounting, Payroll and Personnel Manager is solely responsible for administering payroll related to Officers on active duty military leave or indefinite suspension. Duties include maintaining files separate from the personnel files and initiating and terminating incentive pay for these individuals. Supervisors provide little or no oversight for this process.

Within the Training Academy, an Administrative Assistant II is solely responsible for all aspects of beginning and ending Certification and Educational Incentive payments. Supervisors provide little or no oversight for this process.

Risk

Internal control weaknesses lead to a greater risk of inconsistent, ineffective, and inaccurate performance of job duties and a greater risk that fraud or errors go undetected.

Recommendation

The Chief of Police should review and strengthen internal controls in the area of special compensation, including the following items:

- Maintenance of accurate records of Officer assignments. Payroll records related to the payment of special compensation should periodically be compared to the rosters of Officers with special assignments and to education and certification records. The goal of this comparison is to ensure that all Officers who are entitled are receiving proper incentives and those who are not eligible do not receive them.
- Ensure appropriate segregation of duties. A single individual should not perform more than one of the following functions: approving transactions, record keeping, and custody of assets. Compensating controls, such as supervisory review, should exist where segregation of duties is not possible.

ATTACHMENT A
SAPD Approximate Salaries with Monthly Special Compensation
As of October 2004

Rank	Cadet	PPO	PPO
Years of Service	0	0	0
	Monthly	Minimum	Maximum
Base¹	\$ 2,300	\$ 32,112	\$ 32,112
Clothing Incentive ¹	*	920	920
Language Skills ¹	-	-	600
Educational Incentive ¹	*	-	3,840
Average Overtime ²	-	-	331
Shift Differential Pay ¹	-	-	1,729
Bonus Day Buy Back ²	-	-	-
Potential Pay with Incentives	\$ 2,300	\$ 33,032	\$ 39,532

Police Officer No College						
Years of Service	1		15		20	
	Step A		Step D		Step E	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Base¹	\$ 36,960	\$ 36,960	\$ 48,300	\$ 48,300	\$ 49,260	\$ 49,260
Longevity ¹	96	96	4,347	4,347	5,911	5,911
TCLEOSE Certification ¹	120	120	1,080	1,560	1,560	2,040
Clothing Incentive ¹	480	480	480	480	480	480
Language Skills ¹	-	600	-	600	-	600
Educational Incentive ¹	-	-	-	-	-	-
Car Incentive ¹	-	-	-	-	-	-
Average Overtime ²	-	2,892	-	4,804	-	4,954
Shift Differential Pay ¹	-	4,200	-	4,200	-	4,200
Bonus Day Buy Back ²	not available					
Potential Pay with Incentives	\$ 37,656	\$ 45,348	\$ 54,207	\$ 64,291	\$ 57,211	\$ 67,445

Stand-by, Helicopter, or VIP ¹	-	-	-	1,884	-	1,884
Potential Pay with Stand-by Pay	\$ 37,656	\$ 45,348	\$ 54,207	\$ 66,175	\$ 57,211	\$ 69,329
OR						
Field Training Officer-FTO ¹	-	-	-	3,180	-	3,180
Potential Pay with FTO Pay	\$ 37,656	\$ 45,348	\$ 54,207	\$ 67,471	\$ 57,211	\$ 70,625

Police Officer With College								
Years of Service	1		5		10		15	
	Step B		Step C		Step D		Step E	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Base¹	\$ 44,484	\$ 44,484	\$ 47,352	\$ 47,352	\$ 48,300	\$ 48,300	\$ 49,260	\$ 49,260
Longevity ¹	96	96	1,421	1,421	2,898	2,898	4,433	4,433
TCLEOSE Certification ¹	120	120	120	2,040	1,080	2,040	1,560	2,040
Clothing Incentive ¹	480	480	480	480	480	480	480	480
Language Skills ¹	-	600	-	600	-	600	-	600
Educational Incentive ¹	360	3,840	360	3,840	360	3,840	360	3,840
Car Incentive ¹	-	-	-	-	-	-	-	-
Average Overtime ²	-	3,886	-	5,060	-	4,804	-	4,954
Shift Differential Pay ¹	-	4,200	-	4,200	-	4,200	-	4,200
Bonus Day Buy Back ²	not available							
Potential Pay with Incentives	\$ 45,540	\$ 57,706	\$ 49,733	\$ 64,993	\$ 53,118	\$ 67,162	\$ 56,093	\$ 69,807

¹Rates obtained from the Collective Bargaining Agreement.

²SAPD provided average overtime amounts as of September 2003, but did not provide bonus day buy-back amounts.

³An Officer with college can be promoted to higher rank faster than one without college. An Officer must spend at least 2 years in rank prior to promotion.

Audit of San Antonio Police Department (SAPD)
Special Compensation Payments

ATTACHMENT A, Page 2

Detective Investigator No College (15 yrs prior duty) ³						
Years of Service in Rank	1 (15 prior years)		10		15	
	Step A		Step B		Step C	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Base¹	\$ 51,636	\$ 51,636	\$ 53,172	\$ 53,172	\$ 54,768	\$ 54,768
Longevity ¹	4,743	4,743	7,976	7,976	9,858	9,858
TCLEOSE Certification ¹	1,560	1,560	2,040	2,040	2,040	2,040
Clothing Incentive ¹	480	480	480	480	480	480
Language Skills ¹	-	600	-	600	-	600
Educational Incentive ¹	-	-	-	-	-	-
Car Incentive ¹	-	-	-	-	-	-
Average Overtime ²	-	4,867	-	5,987	-	7,437
Shift Differential Pay ¹	-	4,200	-	4,200	-	4,200
Bonus Day Buy Back ²	not available	not available	not available	not available	not available	not available
Potential Pay with Incentives	\$ 58,419	\$ 68,086	\$ 63,668	\$ 74,455	\$ 67,146	\$ 79,383

Detective Investigator With College (5 years prior experience) ³						
Years of Service in Rank	1 (5 prior years)		5		10	
	Step A		Step B		Step C	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Base¹	\$ 51,636	\$ 51,636	\$ 53,172	\$ 53,172	\$ 54,768	\$ 54,768
Longevity ¹	1,645	1,645	3,190	3,190	4,929	4,929
TCLEOSE Certification ¹	120	2,040	1,080	2,040	1,560	2,040
Clothing Incentive ¹	480	480	480	480	480	480
Language Skills ¹	-	600	-	600	-	600
Educational Incentive ¹	360	3,840	360	3,840	360	3,840
Car Incentive ¹	-	-	-	-	-	-
Average Overtime ²	-	4,867	-	5,987	-	7,437
Shift Differential Pay ¹	-	4,200	-	4,200	-	4,200
Bonus Day Buy Back ²	not available	not available	not available	not available	not available	not available
Potential Pay with Incentives	\$ 54,241	\$ 69,308	\$ 58,282	\$ 73,509	\$ 62,097	\$ 78,294

Sergeant No College (15 years prior duty) ³				
Years of Service in Rank	1 (15 prior years)		10	
	Step A		Step B	
	Minimum	Maximum	Minimum	Maximum
Base¹	\$ 58,680	\$ 58,680	\$ 59,856	\$ 59,856
Longevity ¹	5,377	5,377	8,978	8,978
TCLEOSE Certification ¹	1,560	1,560	2,040	2,040
Clothing Incentive ¹	480	480	480	480
Language Skills ¹	-	600	-	600
Educational Incentive ¹	-	-	-	-
Car Incentive ¹	-	-	-	-
Average Overtime ²	-	7,437	-	8,148
Shift Differential Pay ¹	-	4,200	-	4,200
Bonus Day Buy Back ²	not available	not available	not available	not available
Potential Pay with Incentives	\$ 66,097	\$ 78,334	\$ 71,354	\$ 84,302
Stand-by or Helicopter ¹	-	1,884	-	1,884
Potential Base Pay with Stand-by Pay	\$ 66,097	\$ 80,218	\$ 71,354	\$ 86,186
OR				
Field Training Officer-FTO ¹	-	3,180	-	3,180
Potential Pay with FTO Pay	\$ 66,097	\$ 81,514	\$ 71,354	\$ 87,482

Sergeant With College (7 prior years) ³			
1 (7 prior years)		5	
Step A		Step B	
Minimum	Maximum	Minimum	Maximum
\$ 58,680	\$ 58,680	\$ 59,856	\$ 59,856
1,952	1,952	3,783	3,783
1,080	2,040	1,560	2,040
480	480	480	480
-	600	-	600
360	3,840	360	3,840
-	-	-	-
-	7,437	-	8,148
-	4,200	-	4,200
not available	not available	not available	not available
\$ 62,552	\$ 79,229	\$ 66,039	\$ 82,947
-	1,884	-	1,884
\$ 62,552	\$ 81,113	\$ 66,039	\$ 84,831
-	3,180	-	3,180
\$ 62,552	\$ 82,409	\$ 66,039	\$ 86,127

¹Rates obtained from the Collective Bargaining Agreement.

²SAPD provided average overtime amounts as of September 2003, but did not provide bonus day buy-back amounts.

³An Officer with college can be promoted to higher rank faster than one without college. An Officer must spend at least 2 years in rank prior to promotion.

ATTACHMENT A, Page 3

Lieutenant No College (19 years prior duty) ³				
Years of Service in Rank	1 (19 prior years)		10	
	Step A		Step B	
	Minimum	Maximum	Minimum	Maximum
Base¹	\$ 65,736	\$ 65,736	\$ 67,044	\$ 67,044
Longevity ¹	7,888	7,888	10,440	10,440
TCLEOSE Certification ¹	2,040	2,040	2,040	2,040
Clothing Incentive ¹	480	480	480	480
Language Skills ¹	-	600	-	600
Educational Incentive ¹	-	-	-	-
Car Incentive ¹	-	3,600	-	3,600
Average Overtime ²	-	5,411	-	8,843
Shift Differential Pay ¹	-	4,200	-	4,200
Bonus Day Buy Back ²	not available	not available	not available	not available
Potential Pay with Incentives	\$ 76,144	\$ 89,955	\$ 80,004	\$ 97,247
Stand-by or Helicopter ¹	-	1,884	-	1,884
Potential Base Pay with Stand-by Pay	\$ 76,144	\$ 91,839	\$ 80,004	\$ 99,131
OR				
Field Training Officer-FTO ¹	-	3,180	-	3,180
Potential Pay with FTO Pay	\$ 76,144	\$ 93,135	\$ 80,004	\$ 100,427

Lieutenant With College (9 Prior Years) ³				
1 (9 prior years)	5			
	Step A		Step B	
	Minimum	Maximum	Minimum	Maximum
Base¹	\$ 65,736	\$ 65,736	\$ 67,044	\$ 67,044
	3,944	3,944	4,407	4,407
	1,080	2,040	1,560	2,040
	480	480	480	480
	-	600	-	600
	360	3,840	360	3,840
	-	3,600	-	3,600
	-	5,411	-	8,843
	-	4,200	-	4,200
	not available	not available	not available	not available
\$ 71,600	\$ 89,851	\$ 73,851	\$ 95,054	
	-	1,884	-	1,884
\$ 71,600	\$ 91,735	\$ 73,851	\$ 96,938	
	-	3,180	-	3,180
\$ 71,600	\$ 93,031	\$ 73,851	\$ 98,234	

Captain No College (21 years prior duty) ³				
Years of Service in Rank	1 (21 prior years)		10	
	Step A		Step B	
	Minimum	Maximum	Minimum	Maximum
Base¹	\$ 75,564	\$ 75,564	\$ 77,076	\$ 77,076
Longevity ¹	9,260	9,260	13,874	13,874
TCLEOSE Certification ¹	2,040	2,040	2,040	2,040
Clothing Incentive ¹	480	480	480	480
Language Skills ¹	-	600	-	600
Educational Incentive ¹	-	-	-	-
Car Incentive ¹	-	3,600	-	3,600
Average Overtime ²	-	5,271	-	6,683
Shift Differential Pay ¹	-	4,200	-	4,200
Bonus Day Buy Back ²	not available	not available	not available	not available
Potential Base Pay with Incentives	\$ 87,344	\$ 101,015	\$ 93,470	\$ 108,553
Stand-by or Helicopter ¹	-	1,884	-	1,884
Potential Pay with Stand-by Pay	\$ 87,344	\$ 102,899	\$ 93,470	\$ 110,437
OR				
Field Training Officer-FTO ¹	-	3,180	-	3,180
Potential Pay with FTO Pay	\$ 87,344	\$ 104,195	\$ 93,470	\$ 111,733

Captain With College (11 Prior Years) ³				
1 (11 prior years)	5			
	Step A		Step B	
	Minimum	Maximum	Minimum	Maximum
Base¹	\$ 75,564	\$ 75,564	\$ 77,076	\$ 77,076
	4,726	4,726	7,033	7,033
	1,560	2,040	1,560	2,040
	480	480	480	480
	-	600	-	600
	360	3,840	360	3,840
	-	3,600	-	3,600
	-	5,271	-	6,683
	-	4,200	-	4,200
	not available	not available	not available	not available
\$ 82,690	\$ 100,321	\$ 86,509	\$ 105,552	
	-	1,884	-	1,884
\$ 82,690	\$ 102,205	\$ 86,509	\$ 107,436	
	-	3,180	-	3,180
\$ 82,690	\$ 103,501	\$ 86,509	\$ 108,732	

¹Rates obtained from the Collective Bargaining Agreement.

²SAPD provided average overtime amounts as of September 2003, but did not provide bonus day buy-back amounts.

³An Officer with college can be promoted to higher rank faster than one without college. An Officer must spend at least 2 years in rank prior to promotion.

ATTACHMENT B
Uniformed Personnel Special Monthly Compensation by City
As of September 2004

	San Antonio	Dallas ^{1,2}	Austin ¹	Houston ¹	Ft. Worth ¹	
Population (in millions)	1.28	1.21	0.67	2.01	0.59	
Total Authorized Officers	2,054	2,833	1,365	5,028	1,342	
Officers per 1000 population	1.60	2.34	2.04	2.50	2.27	
Budget (in millions)	\$234.8	\$290.3	\$159.1	\$468.4	\$124.2	
Cost per capita (in dollars)	\$183	\$240	\$237	\$233	\$211	
Monthly Salary and Special Compensation Incentives						
Base Salary	Trainee	\$2,300	\$3,220	-	\$2,290	
	Apprentice	-	3,253	-	-	
	Probationary Officer	2,676	3,474	\$3,521	2,915	\$3,427
	Police Officer	3,080	3,646	3,951	3,037	3,598
Educational	Associate	185	-	100	-	60
	Bachelor	285	100	220	303	120
	Master	305	-	300	520	-
	Doctorate	320	-	-	737	-
Certification Pay	Level 1 (Basic)	10	-	-	108	-
	Level 2 (Intermediate)	90	-	-	152	-
	Level 3 (Advanced)	130	-	-	259	-
	Level 4 (Master)	170	-	150	637	-
POST/Career Enhancement/ Training Pay	Level 1	-	-	-	116	-
	Level 2	-	-	-	165	30
	Level 3	-	-	-	280	60
	Level 4 (Master)	-	-	150	690	120
Clothing Incentive	40	⁵	⁵	⁵	25	
Language Skills	50	75-100	175	150	50	
Specialty Team Pay	157	-	-	150	-	
Field Training Officer	265	100	175	-	-	
Patrol, Traffic or Special Operations	6 yrs of Service	-	100	-	-	-
	8 yrs of Service	-	125	-	-	-
	10 yrs of Service	-	150	-	-	-
Detective Pay	⁴	100	42	680	-	
Shift Differential Pay	350	122 ³	275	138	103 ³	
		(3.5% of base pay for swing)			(3.5% of base pay for swing)	
	-	226 ³	-	-	171 ³	
	(6.5% of base pay graveyard)			(6.5% of base pay graveyard)		
Academy Graduation	-	1,000 lump sum	-	-	-	
Longevity Pay	3% of base pay for each 5 years of service up to 30 years, plus an \$8 increase in years which are not multiples of five	\$4 per month per year of service (max \$1,200/yr @ 25 yrs)	\$4 per month per year of service (max \$1,200 @ 25 yrs)	\$4.33 per month per year of service (max. \$1,300 @ 25 yrs)	\$4 per month per year of service (max \$1,200/yr @ 25 yrs)	

¹This chart is based upon information from Police pay.net and each city's website.

²Dallas has no collective bargaining agreement.

³Estimated monthly amount.

⁴Paid on a different pay scale than Police Officer.

⁵The City provides uniforms for Officers. Houston also pays \$2,000 per year for equipment allowance.

ATTACHMENT C
Comparison of San Antonio Uniformed Personnel Monthly Special Compensation
Fire and Police Departments
As of April 2005

		Fire	Police
San Antonio Population (in millions)		1.28	
Fiscal Year 2004 Budget (in millions)		\$173.9	\$234.8
Cost per capita (in dollars)		\$136	\$183
Civilian Employees		73	480
Uniformed Personnel		1,441	2,054
Total Employees		1,514	2,534
Monthly Amounts			
	Probationary Officer	\$3,354	\$2,676
	Probationary Period	18 months	52 weeks
	Uniformed Fire Fighter/Police Officer Class A	\$3,354	\$3,080
	Police Officer Class B (1 year with 31 college hours)	-	\$3,707
	Fire and Police Class B (after 5 years)	\$3,723	\$3,707
Educational Incentive	65+ College Hours	-	45-225
	Associates	\$170	\$200
	Bachelors	\$270	\$300
	Masters	\$290	\$320
	Doctorate	-	\$335
Language Skills		\$50	\$50
State Certification	Basic	\$50	\$30
	Intermediate	\$80	\$130
	Advanced	\$120	\$170
	Masters	\$160	\$210
EMT Certification	0-4 years of service	\$50	-
	5-8 years of service	\$100	-
	9+ years of service	\$150	-
Paramedic Certification	0-4 years of service	\$150	-
	5-8 years of service	\$200	-
	9+ years of service	\$250	-
Specialty Teams	Aviation, Inspector, Technical Rescue, Services	\$100	-
	SWAT, Hostage Negotiator, Volunteers in Policing, Helicopter	-	\$157
	Field Training Officer	-	\$265
	Training Instructor	\$350	-
	Arson Investigator	\$350	-
Clothing	One time payment to new Officers	1	\$480
	Officers	1	\$40

¹ Fire Fighters earn \$500 commissary credit per year for uniform purchases.

ATTACHMENT D

ENTERPRISE RISK ASSESSMENT MATRIX

In performing this audit, five risk management capabilities were considered for purposes of determining the key risks to the City. The capabilities included: strategies, processes, people, technology, and information. Of these, technology, people and processes were deemed the most applicable to this review. Each audit matrix is organized by the five recognized capability maturity/development stages. Most entities achieve a managed stage while fewer achieve an optimized stage.

Technology Capabilities

Stage	Integration	Enhancements	Security
Ad Hoc	Limited, <i>stand-alone</i> systems and technology.	System and technology <i>enhancements</i> are rarely done unless they crash or are proven to be obsolete.	Lax to nonexistent technology infrastructure throughout the company for physical and logical <i>security</i> .
Repeatable	Viable, but <i>non-interfacing</i> systems and technology.	System and technology <i>enhancements</i> consistently trail business needs.	Limited technology infrastructure, resulting in inconsistent application of physical and logical <i>security</i> across the company.
Defined	Systems and technology are adequate to meet most of the company's current business needs, but most do not <i>interface</i> .	System and technology <i>enhancements</i> are typically reactive to business changes, but are implemented timely.	A formal technology infrastructure exists company-wide, but some physical and logical <i>security</i> exposures exist in certain areas.
Managed	Systems and technology are mostly <i>integrated</i> , effectively meeting most current business needs, and should be adequate in the near-term.	System and technology <i>enhancements</i> are planned to be proactive, and are generally implemented effectively.	A sound and formal technology infrastructure exists, and physical and logical <i>security</i> is generally effective throughout the company.
Optimized	Fully <i>integrated</i> systems and technology effectively enable the business and are generally considered a competitive advantage.	Systems and technology are <i>continuously improved</i> to maintain the competitive advantage.	A strong technology infrastructure exists, with best practice physical and logical <i>security</i> procedures operating throughout the company.

Process Capabilities

Stage	Procedures	Controls and Process Improvements	Metrics
Ad Hoc	No formal <i>procedures</i> exist.	<i>Controls</i> are either non-existent, or are primarily reactionary after a "surprise" within the company.	There are no <i>metrics</i> or monitoring of performance.
Repeatable	Some standard <i>procedures</i> exist.	Detective <i>controls</i> are relied upon throughout the company.	Few performance <i>metrics</i> exist, thus there is infrequent monitoring of performance.
Defined	<i>Procedures</i> are well documented, but are not regularly updated to reflect changing business needs.	Both preventive and detective <i>controls</i> are employed throughout the company.	Some <i>metrics</i> are used, but monitoring of performance is primarily manual.
Managed	<i>Procedures</i> and <i>controls</i> are well documented and kept current.	Best practices and benchmarking are used to <i>improve</i> process in certain areas of the company.	Many <i>metrics</i> are used, with a blend of automated and manual monitoring of performance.
Optimized	<i>Processes</i> and <i>controls</i> are continuously reviewed and <i>improved</i> .	Extensive use of best practices and benchmarking throughout the company helps to continuously <i>improve</i> processes.	Comprehensive, defined performance <i>metrics</i> exist, with extensive automated monitoring of performance employed.

Source: Auditor's Risk Management Guide: Integrating Auditing and ERM by Paul J. Sobel, CPA, CIA

People Capabilities

Stage	Experience and Competence	Direction and Development	Authority and Accountability
Ad Hoc	<i>Inexperienced</i> personnel in most areas; no formal training programs are followed.	In most areas of the company there is little job guidance or other formal <i>direction</i> .	Vague or conflicting <i>authority and accountability</i> across business areas throughout the company.
Repeatable	<i>Competent</i> personnel in most areas; limited training; many functions tend to be under or over-resourced.	Some understanding of the basic job requirements in most areas, but still not much formal <i>direction</i> from management.	Lack of clear <i>authority and accountability</i> across business areas throughout the company.
Defined	<i>Experienced</i> personnel in most areas, but limited bench strength.	Job responsibilities and skill requirements are defined for all areas, but career <i>development</i> focus is lacking.	<i>Authority and accountability</i> are defined across the company, but not broadly or consistently understood by all affected areas.
Managed	<i>Strong</i> team in place with adequate bench strength in most areas.	A formal <i>development</i> program exists company-wide, with focus on both enhancing existing skills and developing new skills.	Clear articulation of <i>authority and accountability</i> , and consistent understanding among all affected areas.
Optimized	Formal succession planning and integrated resourcing program ensure <i>multiple sourcing options</i> for all key positions throughout the company.	Cross-training programs provide <i>job enrichment</i> opportunities for all employees and <i>multiple sourcing options</i> for all key positions.	A culture of empowerment engages employees throughout the company in exercising the <i>authority and accountability</i> they have been granted.

Source: Auditor's Risk Management Guide: Integrating Auditing and ERM by Paul J. Sobel, CPA, CIA



CITY OF SAN ANTONIO

P. O. BOX 839966
SAN ANTONIO TEXAS 78283-3966

April 27, 2006

City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for the Audit of the San Antonio Police Department – Special Compensation Payments

City Management and the San Antonio Police Department (SAPD) have reviewed the audit report for Special Compensation Payments and herein is a Corrective Action Plan for the recommendations. Having an objective review of the payroll incentive payments has resulted in better information for Management to develop operating strategies for the future that will improve the overall control of special compensation incentives.

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
Executive Summary (ES)					
ES1	Enhance compliance with the provisions of the Collective Bargaining Agreement (CBA) and discontinue special compensation incentive to ineligible civilian personnel, Chief of Police and Cadets attending the Police Academy. (Detailed Report Recommendation 1, Response Page 2)	9			
ES2	Reduce the number of Field Training Officer (FTO) positions by changing the scheduling of training assignments; and by limiting the incentive payment to months of active training. (Detailed Report Recommendation 2, Response Page 2)	12			
ES3	Ensure that payments of monthly Educational Incentive are based on completed college degrees or college credits related to law enforcement. (Detailed Report Recommendation 3, Response Page 3)	14			
ES4	Ensure that the official date of appointment as a Peace Officer, the date of oath taken, is used to qualify for the Basic Certification Incentive and that date is reported as required by the State of Texas law instead of the date the Cadet enters the Academy Training Program. (Detailed Report Recommendation 4, Response Page 3)	16			
ES5	Revise the City policy related to payroll and special compensation to require Officers to work at least half of a month full-time schedule to qualify for special compensation incentives. (Detailed Report Recommendation 5, Response Page 3)	17			

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
ES6	Strengthen internal control weaknesses by developing procedures that address: <ul style="list-style-type: none"> Maintaining accurate records of Officers with special assignments, additional education and certifications. These records should be periodically compared to payroll special compensation incentives to validate payroll eligibility. Segregating incompatible administration and approval duties related to payroll special compensation incentives. (Detailed Report Recommendation 6, Response Page 3)	18			
Detailed Report					
1.	Special compensation incentives paid to ineligible personnel <ul style="list-style-type: none"> The Chief of Police should comply with the provisions of the CBA and discontinue special compensation incentive to ineligible civilian personnel, including the Chief of Police and Cadets attending the Police Academy. The City Manager should document the compensation package for the Chief of Police. <p>Action plan: Chiefs of Police have always been paid incentives in line with that of an officer. We agree that these provisions should be enunciated in a memo from the City Manager to the Chief of Police when they are negotiating a compensation package.</p> <p>The civilian employees classified as Cadets receive education pay. On examination of the FY94 City Budget document page 293, under the heading "Education Pay for Cadets" the following statement appears. <i>"In order to attract cadets with college education and to encourage them to remain in the Police Academy throughout the six months' training, an incentive pay will be provided to cadets who have Associates (\$150 a month) or Bachelors (\$250 a month) degrees."</i> Even though this particular statement addresses education pay, clothing allowance has been paid to cadets as far back as 1973 due to the financial hardship of purchasing full sets of uniforms as well as leather gear. The only clothing allowance cadets receive is the initial \$480.00 to purchase their leather gear normally the 5th month of training. They do not receive the monthly \$40.00 until they become probationary officers.</p>	9	Decline		See justification below
		9	Accept	City Manager	Completed
2.	Field Training Officer Program (FTO) The Chief of Police should change the FTO Program to achieve cost savings by reducing the number of FTO positions; changing the scheduling of training assignments; and by limiting the incentive payment to months of active training.	12	Decline		See justification below
	Action plan: The FTO has been in place since 1989. During this time frame many modifications have been made to improve the program as well as maintain cost efficiency. With Vacations as well as mandated in-service training, the number of FTO's as well as scheduling of rotation has been found to be the best "fit" for the police department. In addition to this the FTO's are used for other training needs besides the probationary officers and cadets. During the implementation of the Field Entry Reporting the FTO's will be responsible for training for all officers in the field.				
3.	Education Incentives - Law Enforcement Related Degrees and Courses The City Manager should ensure that payment of the Educational Incentive is based on completed college degrees or college credits related to law enforcement as stated in Article 31 of the CBA.	14	Decline		See justification below

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
	<p>Action plan: The requirement for education incentive pay is governed by the Collective Bargaining Agreement (CBA). The Department has never been specific so far as what type of degrees would be eligible for compensation. Instead it is felt that the desire for a well-rounded education, regardless of the field of study, if preferable to no education. The title of the current CBA article addressing this issue will be changed during negotiations. The Department believes that to alter the current past practice would also lead to violations of the current Collective Bargaining Agreement.</p>				
4.	<p>Peace Officer Certification – State Law versus TCLEOSE Field Book The Chief of Police should ensure that the official date of appointment as a Peace Officer, the date of oath taken, is used to qualify for the Basic Certification Incentive and that date is reported as required by the State of Texas law instead of the date the Cadet enters the Academy Training Program.</p> <p>Action plan: The appointment of cadets to peace officers at the beginning of cadet class instead of at the end of cadet class was done for a particular reason. It is true that it will initially cost \$60 per officer for that period of time they were in cadet class but the fact that our academy is in session for more than 180 days gives rise to another dilemma. Currently we give cadets a physical, a drug test and a psychological evaluation prior to cadet class. If we do not certify them at the beginning of cadet class then we have to give them another physical, drug test and psychological after 180 days which is more cost prohibitive than the \$60 paid for their certification. This is according to Texas Commission of Law Enforcement, §217.1 (a) 11. This certification process if more cost effective than changing the current process.</p>	16	Decline		See justification below
5.	<p>Full Incentives Paid to Officers on Active Duty Military Leave The Chief of Police should revise the City policy related to payroll and special compensation to include a directive to require Officers to work at least half of a month full-time schedule to qualify for special compensation incentives.</p> <ul style="list-style-type: none"> Action plan: Officers are eligible to exercise that portion of the CBA that states <i>"All police officers permanently assigned to begin work after 12:00 p.m.; including but not limited to shifts currently referred to as the Evening "B" or "Dog Watch" "C" shifts are to receive \$350 per month differential pay."</i> The fact that these officers are permanently assigned is evident. The practice of paying them is the same as if they were on vacation for several months and did not come in at all. This should be addressed in the upcoming CBA to limit eligibility to officers who work a minimum of 80 hours. 	17	Partially Accept	Assistant Chief Tyrone Powers	During contract negotiations

6.	Internal Control Weaknesses Related to Special Compensation				
	The Chief of Police should strengthen internal control weaknesses by developing procedures that address:	18	Accept	Assistant Chief Tyrone Powers	January 2007
	<ul style="list-style-type: none"> Maintaining accurate records of Officers with special assignments, additional education and certifications. These records should be periodically compared to payroll special compensation incentives to validate payroll eligibility. 				
	<ul style="list-style-type: none"> Segregating incompatible administration and approval duties related to payroll special compensation incentives. 	18	Accept	Assistant Chief Tyrone Powers	January 2007
	<ul style="list-style-type: none"> Action plan: The SAPD has the most difficult payroll system in the City. This has come about because of the collective bargaining agreement. The distribution of responsibility for entry and approval could no doubt use some improvement. The shortage of personnel in the Accounting and Personnel office is in the process of being addressed and when accomplished this will give the department more resources to implement additional checks and balances. In addition, the department's fiscal operations manager will continue to work with ERM to develop necessary programs to audit all processes that existed under the legacy system. 				

SAPD appreciates the City Auditor's comments on the SAPD's special compensation payroll. SAPD is committed to address the recommendations in the audit report and the plan of action presented. In addition, City Management and Police staff will brief the new Police Chief on this audit and its findings.

Sincerely,


Erik Walsh
Assistant City Manager


Tyrone Powers
Assistant Chief