



CITY OF SAN ANTONIO

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July 27, 2011

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SUBJECT: Fire Department Payroll System Audit Report

We are pleased to send you the audit report of the San Antonio Fire Department's Payroll System. This audit began in May 2010 and concluded with an exit meeting with department management in June 2011. Management's verbatim response is included in Appendix E of the report. The San Antonio Fire Department should be commended for its cooperation and assistance during this audit.

The Office of the City Auditor is available to discuss this report with you individually at your convenience.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kevin W. Barthold".

Kevin W. Barthold, CPA, CIA, CISA
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CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR



Fire Department
Payroll System
Project No. AU10-004

July 27, 2011

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the payroll system for the San Antonio Fire Department (SAFD). The audit objective and conclusion follow:

Determine if controls are adequate to ensure proper tracking and accounting within the SAFD payroll system.

We determined that due to the lack of information technology and management controls, there is no assurance that the SAFD is properly tracking and accounting for personnel costs.

We observed that:

- PayFire has no logging or monitoring controls. No audit trail exists of who performs payroll transactions or when they are performed.
- PayFire user account and password access controls are not adequate.
- The SAFD inappropriately maintains personally identifiable information, including social security numbers, in clear text in the PayFire application and in the payroll transaction file it uploads to the SAP system on a bi-weekly basis.
- The SAFD has no designated backup for the PayFire administrator or formal policies, procedures, or documentation for the PayFire application.
- The SAFD is not reconciling payroll transactions uploaded from PayFire to SAP.
- Uniformed employees use accrued sick leave just prior to retirement for months at a time until their accrued sick leave bank diminishes to a level that is equal or close to the maximum Texas State legal termination payout limit of 90 12-hour days or 1,080 hours.

We recommend that the SAFD Chief:

- Collaborate with the Information Technology Services Department (ITSD) to implement effective audit trails in the PayFire application.
- Implement user access controls that are aligned with AD 7.6 Security and Passwords.
- Collaborate with ITSD to modify the PayFire-to-SAP upload script to use employee numbers instead of social security numbers.
- Designate a backup person to be trained to perform PayFire duties. Additionally, the SAFD Chief should create formal policies, procedures and documentation for PayFire.
- Perform and document a reconciliation when data is uploaded from PayFire to SAP.
- Eliminate the practice of uniformed personnel taking extended periods of unsubstantiated sick leave just prior to retirement.

Management's verbatim response is included at **Appendix E** on page 17.

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Background

The San Antonio Fire Department (SAFD) provides fire prevention, fire suppression, emergency medical service, emergency management, and rescue services to over 1.3 million people covering over 500 square miles. The SAFD was staffed with 1,757¹ full-time personnel as of the fiscal year (FY) ended September 2010. Actual SAFD personal services (i.e. personnel) costs for the last five fiscal years are shown in the table below.

SAFD Personal Services (\$1,000's)¹						
FY 2006 – FY 2010						
	2006	2007	2008	2009	2010	
	Actual	Actual	Actual	Actual	Actual	Increase over 2006
Regular Salary	\$75,201	\$81,714	\$85,272	\$91,933	\$95,108	26%
Overtime	\$15,949	\$18,549	\$20,058	\$22,256	\$19,270	21%
Incentives	\$13,813	\$14,312	\$15,402	\$15,895	\$18,812	36%
Other²	\$46,437	\$48,863	\$47,583	\$49,878	\$52,237	12%
Grand Total	\$151,401	\$163,437	\$168,315	\$179,962	\$185,426	22%

SAFD utilizes PayFire, a Microsoft Access application developed in-house by a firefighter (Emergency Medical Services Division), to track and schedule exception time, or time other than regularly scheduled work time for the current pay period for uniformed employees. The SAFD enters exception time for prior periods directly into SAP, the City's financial and accounting system. Exception time includes but is not limited to overtime, vacation, sick leave, continuing education, etc. During FY 2010, the SAFD entered 34,014 overtime transactions into SAP; 31,042 (about 91%) were entered via PayFire and 2,972 (about 9%) were entered directly into SAP. These transactions represented \$19.2M in overtime costs as shown in the table above.

Regular work shift data is stored in SAP. At the end of the payroll process, the SAFD PayFire administrator uploads transactions from PayFire to SAP. Finance then processes these transactions in SAP to produce payroll checks.

The SAFD also uses PayFire for assigning uniformed personnel to each fire apparatus and EMS unit. District chiefs and shift commanders rely on PayFire to ensure that all fire stations are staffed with the required personnel.

¹ Data obtained from SAP, COSA's financial and accounting system.

² Includes Allowances, Civilian Certifications, Insurance, Retirement, Tuition Reimbursement

Compensation for Fire Department uniformed personnel is governed by the Collective Bargaining Agreement (CBA) between the City of San Antonio and the Local 624 International Association of Fire Fighters. Although a newer CBA had not been negotiated as of the date of this report, the date of the CBA actually in effect during the audit scope period is October 5, 2005 - September 30, 2009.

Audit Scope and Methodology

The audit scope included FY 2010 (October 1, 2009 through September 30, 2010). However, in the background section of this report, we included additional data from FY 2006 through FY 2009 to show trends in SAFD personal services costs.

We relied extensively on computer-processed data contained in the SAFD PayFire system, a Microsoft Access database that records transactions based on hours worked. We assessed the reliability of data, including relevant general and application controls. We compared output data to manual documents to validate data accuracy; reviewed output products for obvious errors, reasonableness, and completeness; recalculated totals to verify math operations; and tested the system's edit checks to validate the rejection of erroneous data. Based on these tests, we concluded that PayFire general and application controls were not adequate as described in the Audit Results and Recommendations section of this report. However, we relied on PayFire data for information purposes.

Additionally, we obtained data from SAP and reconciled it back to PayFire data using ACL data analysis software. We directly tested the data rather than evaluate the systems' general and application controls. We do not believe that the absence of testing SAP general and application controls had an effect on the results of our audit.

We interviewed SAFD employees and reviewed documented policies and procedures provided by SAFD management. We reviewed relevant documentation including the *Collective Bargaining Agreement Between The City Of San Antonio And Local 624 International Association of Fire Fighters* (dated October 1, 2005 through September 30, 2009) and the *Local Government Code Chapter 143 Municipal Civil Service for Fire Fighters and Police Officers*. We also obtained and analyzed payroll data from the PayFire application and SAP.

We obtained sufficient criteria and best practices for Information Technology (IT) related processes and procedures. We used the Government Accountability Office's (GAO) Federal Information System Controls Audit Manual (FISCAM). FISCAM presents a methodology for performing information system control audits in accordance with government auditing standards. We also relied on related National Institute of Standards and Technology (NIST) security publications.

We conducted this audit from May 2010 to February 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate information to provide a reasonable basis for the results based on the audit objectives. We believe that the information obtained provides a reasonable basis for our audit results and conclusions based on our audit objectives. Our audit included tests of management controls that we considered necessary under the circumstances.

Audit Results and Recommendations

PayFire Application Controls

A – Transaction Logging

PayFire has no logging or monitoring controls. No audit trail exists of who performs payroll transactions or when they are performed.

FISCAM requires management to implement an effective audit and monitoring capability that creates an audit trail. Audit trails maintain a record of system activity by application process and by user activity. In conjunction with appropriate tools and procedures, audit trails can provide a means to help accomplish several security-related objectives; including individual accountability, reconstruction of events, intrusion detection, and problem identification.³ Lacking effective audit trails, there is no individual accountability for users entering payroll transactions.

Recommendation: The SAFD Chief should collaborate with the Information Technology Services Department (ITSD) to implement effective audit trails in the PayFire application. PayFire should automatically and transparently capture the user ID, date, time and user's terminal ID (if possible) of every entered transaction. The same information should also be captured for any user making subsequent changes to PayFire records. Additionally, the SAFD Chief should develop and document procedures for monitoring PayFire access logs and taking action in response to access violations.

B – Access Controls

PayFire user account and password access controls are not adequate.

We reviewed the Windows Server Active Directory user groups that control access to the PayFire application and identified 44 generic user logon IDs that were being shared. Additionally, our review of the user account policies for the 44 generic user IDs confirmed that passwords never have to be changed and are only required to be one character in length.

FISCAM recommends that access controls be implemented at the application level to provide reasonable assurance that only authorized personnel have access to the application and only for authorized purposes.

Administrative Directive (AD) 7.6 Security and Passwords, Section VI states that strong password requirements are critical for securing the electronic assets of the

³ NIST Information Technology Library Publication 97-03 Audit Trails – IT Security Bulletin

City. AD 7.6 recommends that passwords contain a combination of upper and lower case characters, numbers, and non alphanumeric characters (e.g., !, \$, #, %). AD 7.6 also requires passwords to be at least eight characters long and expire every 90 days. Additionally, passwords should not be shared and the user should be locked out after three unsuccessful login attempts. The user account policies governing access to PayFire do not require passwords to comply with any of these criteria.

Without effective access controls users can obtain unauthorized or inappropriate access to applications and data. In this case, unauthorized users could view personally identifiable information and/or create, edit, or delete payroll transactions.

Recommendation: The SAFD Chief should implement user access controls that are in alignment with AD 7.6 Security and Passwords. Additionally, the SAFD Chief should remove all generic user ID's from the Active Directory groups that control access to PayFire and require users to use their ITSD-assigned personal logon IDs.

C – Security Over Sensitive Data

The SAFD inappropriately maintains personally identifiable information⁴ (PII), including social security numbers, in clear text in the PayFire application and in the payroll transaction file it uploads to the SAP system on a bi-weekly basis.

FISCAM business process and application access objectives require organizations to implement proper controls over sensitive applications and data.

According to SAFD management, ITSD originally programmed the SAP upload script to use social security numbers, which in turn required them to be stored in the PayFire database.

A lack of controls over sensitive data results in significant risks to the City and its employees including unauthorized disclosure of PII, identity theft, legal liability, loss of public trust, etc.

Recommendation: The SAFD Chief should collaborate with ITSD to modify the PayFire-to-SAP upload script to use employee numbers instead of social security numbers. Additionally, the SAFD Chief should purge social security numbers from the PayFire application database and all archived copies.

⁴ “Refers to any information about an individual maintained by an entity, including any information that can be used to distinguish or trace an individual’s identity, such as their name, social security number, date of birth, or biometric records, and any other information which is linked or linkable to an individual.” FISCAM Appendix XI – Glossary .

D – PayFire User Access Reviews

SAFD does not perform timely periodic reviews of PayFire users for propriety.

In addition to the 44 generic user IDs mentioned above in B – Access Controls (page 4), we identified an additional 115 user IDs with access to the SAFD PayFire application. Of these 115, we identified three user IDs of former employees. Also, during our review, SAFD management identified four other user IDs for employees who no longer required access. Due to the absence of logging controls, (see A – Transaction Logging on page 4), auditors could not determine when these IDs had last been used.

FISCAM authorization control objectives recommend organizations periodically review access authorization listings and determine whether they remain appropriate. Additionally, FISCAM recommends organizations ensure effective administration of user application access, user account management, auditing, and the timely modification or removal of access to maintain system security.

Untimely reviews of user accounts, access, and privileges could result in unauthorized access to sensitive employee data (PII) and payroll transactions.

Recommendation: The SAFD Chief should document and implement procedures to periodically review PayFire access authorization listings and determine whether users and privileges remain appropriate.

E – Validation and Edit Controls

Auditors observed six instances where SAFD uniformed employees were erroneously paid for more than 24 hours of overtime for a 24-hour work period during FY 2010. Two instances were true overpayments which SAFD has corrected and recovered the overpaid funds. The other four instances were overtime hours owed for a different day than what was recorded in the transaction.

Although PayFire and SAP limit a single overtime transaction to 24 hours, a user can enter multiple transactions for the same 24-hour period that collectively exceed 24 hours of overtime.

FISCAM Business Process controls recommend that input data be validated and edited to provide reasonable assurance that erroneous data is prevented or detected before processing. Edits are used to help assure that data are complete, accurate, valid, and recorded in the proper format.

The City faces higher payroll costs when erroneous transactions are entered into PayFire and SAP.

Recommendation: The SAFD Chief should work with ITSD to implement validation and edit controls in PayFire and SAP to prevent overtime from exceeding 24 hours for a one-day period.

F – Conflict of Interest

The PayFire administrator, who is also an Emergency Medical Services (EMS) Shift Commander with the rank of Captain, has full access to and control of all PayFire payroll transactions. Consequently, he can enter his own overtime without review or approval which creates a conflict of interest.

FISCAM application level general controls recommend that security policies and procedures be established that segregate application user activity from system administrator activity.

Inadequate segregation of duties and conflicts of interest increase the risk that fraudulent transactions could be processed or improper program changes made.

Recommendation: The SAFD Chief should assign PayFire administrator responsibilities to a civilian with no conflicts of interest.

G- Backup/Documentation

The SAFD has no designated backup for the PayFire administrator or formal policies, procedures, or documentation for the PayFire application.

FISCAM contingency planning controls recommend that an entity have in place procedures for protecting information resources and minimizing the risk of unplanned interruptions. Furthermore, staff should be trained in and aware of their responsibilities in preventing, mitigating, and responding to emergency situations.

The EMS Shift Commander created the PayFire application, which has been in use since the year 2000. The EMS Shift Commander did not use a formal systems development life cycle (SDLC) methodology to create PayFire and consequently did not develop formal policies, procedures and documentation or implement adequate application controls.

Having no backup or documented policies and procedures puts the City at risk of a disruption in SAFD payroll services.

Recommendation: The SAFD Chief should designate a backup person to be trained to perform PayFire duties. Additionally, the SAFD Chief should create formal policies, procedures and documentation for PayFire.

H – PayFire/SAP Reconciliations

The SAFD is not reconciling payroll transactions uploaded from PayFire to SAP.

There is no automated interface between PayFire and SAP. This results in the PayFire administrator having to manually upload transactions into SAP in order for SAFD paychecks to be produced. Auditors found 130 hours of overtime that were in PayFire that did not make it to SAP. Auditors isolated the variance to a training course attended by 13 uniformed employees.

SAFD indicated that it was using error reports to identify issues between PayFire and SAP. These error reports, which are produced by SAP, identify duplicate entries, incorrect cost centers, and erroneous wage types. These error reports do not reconcile the number of incoming PayFire transactions to the number of SAP transactions processed. Reconciliations help to ensure that all PayFire transactions are appropriately transferred to SAP and that SAFD uniformed employees are properly paid.

Transactions not uploaded into SAP can result in overtime hours that are not paid and vacation/leave hours that are not accounted for properly. Furthermore, when leave is not accurately reported, uniformed SAFD personnel may be erroneously considered eligible for Bonus Day Leave⁵.

Recommendation: The SAFD Chief should perform and document a reconciliation when data is uploaded from PayFire to SAP. The reconciliation should include a comparison of PayFire record counts and values to SAP record counts and values after completion of the upload. The SAFD Chief should also develop written procedures for performing these reconciliations.

⁵ According to the CBA regarding bonus day leave, each uniformed employee shall be entitled to two additional leave days for each six months of perfect attendance.

Management Review and Oversight

I – SAP Incentive Payment Process

Incentive payments made to uniformed SAFD employees are not being reviewed for validity.

Auditors tested a sample of 733 of 1,051 incentives activated from October 2008 through September 2010. Of the sample tested, auditors found:

- Doubled incentive payments: employee received bi-weekly incentive payments for an incentive that was only supposed to be paid monthly; i.e. the employee was paid every two weeks an amount that should have been paid only once a month. This resulted in an overpayment of \$1,125.
- Conflicting incentive payments: employee received \$50/month for being in the paramedic training class while receiving \$200/month for being a certified paramedic. The SAFD should only have paid the certification incentive after the employee completed the training class. This resulted in an overpayment of \$750.
- Untimely status changes: two uniformed employees who graduated from a paramedic training class in June 2010 continued to receive a \$50 training incentive instead of a \$200 certified paramedic incentive. This resulted in an underpayment of \$600 per employee.

The CBA states that incentive payments should only receive incentive pay monthly. Additionally, the CBA does not include provisions that allow uniformed employees to be paid both training and assignment incentives simultaneously.

In response to a 2005 audit of Fire Department incentive payments, the SAFD agreed to draft procedures to ensure monthly monitoring of assignment and qualification payments. Although SAFD management collaborated with ITSD to create an application in SAP to track incentive payments, scenarios like those mentioned above continue to occur due to a lack of procedures for activating and monitoring such payments.

Underpayment or non-payment of incentives results in the City not complying with the CBA. Overpayment of incentives results in higher payroll costs. Furthermore, incentive payments increase overtime since the overtime pay rate is calculated based on salary plus longevity⁶, incentives, and assignment pay. SAFD management took action during our audit and corrected the overpayment, conflicting incentive payments, and untimely status changes mentioned above.

⁶ According to the CBA, Wages, Section 3, Longevity: In addition to wages, each Fire Fighter's base pay shall be increased by three percent (3%) for each five (5) years of his longevity, to a maximum of thirty (30) years.

Recommendation: The SAFD Chief should document and implement procedures for activating, reviewing, and monitoring incentive payments for validity.

J – Overtime Authorization

Overtime for uniformed SAFD personnel is not consistently authorized.

To test for proper authorization, auditors judgmentally selected a sample of 33 SAFD uniformed employees who were paid significant overtime (see **Appendices A and B**) during FY 2010. For these 33 uniformed employees, 186 entries in PayFire were reviewed for overtime authorization. Auditors could only find authorization for 61 of the 186 entries or about 33%. In a test of 318 overtime transactions manually entered into SAP for these same 33 uniformed employees, we could not find overtime authorization for 11 transactions or about 3%.

Recommendation: The SAFD Chief should ensure that all overtime is authorized and documented before it is worked.

K – Mandatory Time Off

SAFD management is not enforcing the CBA requirement that emergency medical technicians and emergency medical services communications personnel take twenty-four hours off prior to working shifts.

Auditors identified 85 instances during a six-month period in FY 2010 where uniformed medical personnel worked two and up to 12 consecutive days without taking a mandatory day off as required by the CBA⁷.

This practice does not comply with the CBA and may adversely affect employee performance and the safety of Fire Department personnel and San Antonio citizens.

Recommendation: The SAFD Chief should ensure that uniformed personnel are not allowed to work within 24 hours of completing a work shift.

⁷ ARTICLE 15. HOURS “Personnel may not work more than twenty-four (24) continuous hours, except if personnel are on a response at shift change. Personnel must have twenty-four hours off prior to working. This applies to overtime and trading time.”

SAFD Practices

L – Cost of Sick Leave Preceding Retirement

Uniformed employees use accrued sick leave just prior to retirement for months at a time until their accrued sick leave bank diminishes to a level that is equal or close to the maximum Texas State legal termination payout limit of 90 12-hour days or 1,080 hours⁸.

Circumvention of Cap on Sick Leave Payouts

During FY 2010, 49 SAFD uniformed employees retired. Of these 49 employees, 45 took sick leave just prior to retirement. These 45 employees took an average of 1,265 hours of sick leave just prior to retirement; actual sick leave ranged from 48 to 4,668 hours (see **Appendix C**). The cost to the City for this sick leave ranged from \$1,607 to \$125,756, or an average of \$39,011 per employee. Furthermore, while out on sick leave, these employees continued to accrue additional vacation, sick, and holiday pay that figured into their retirement payouts.

In addition to the sick leave taken prior to retirement, 41 of the 45 retiring employees also received the maximum sick leave payout for 1,080 hours set by the State of Texas for fire fighters terminating service. The average sick leave payout at retirement for these 45 employees was \$33,241. The total cost to the City for paid sick leave taken just prior to retirement and sick leave paid at retirement for these 45 employees exceeded \$3.2 million with the average being \$72,252 per employee.

This practice circumvents Texas law by effectively eliminating the cap on sick leave payouts to employees who leave service.

Proof of Illness not Required

CHAPTER 143 - MUNICIPAL CIVIL SERVICE FOR FIREFIGHTERS AND POLICE OFFICERS, Section 143.045. ACCUMULATION AND PAYMENT OF SICK LEAVE paragraph (b) states that a fire fighter may use sick leave if unable to work because of a bona fide illness. However, SAFD management does not require uniformed employees to provide proof of illness⁹ until and unless the employee actually returns to work. According to SAFD management, these employees retire before returning to work and therefore are not required to provide proof of illness.

⁸ Local Government Code, Chapter 143, Municipal Civil Service for Fire Fighters, § 143.045. ACCUMULATION AND PAYMENT OF SICK LEAVE.

⁹ According to the CBA, a note provided by a physician licensed to practice medicine is required which states that he or she has examined the employee and that the employee was unable to work due to illness.

Payment of Overtime Required to Replace Employees on Sick Leave

When uniformed employees take sick leave, SAFD protocol requires that other uniformed employees perform their duties. Consequently, the SAFD must call in off-duty uniformed employees and pay them overtime at time and a half and in some cases at a higher classification rate.

Auditors calculate the cost of sick leave pay and additional accrued pay for the 49 employees who retired during FY 2010 related to sick leave taken immediately prior to retirement below:

Sick Leave Pay¹⁰	\$1,755,519
Additional Pay Accrued while on Sick Leave (e.g. Holiday, Vacation, Sick Leave Pay)	\$520,301
Overtime (incremental) Pay for Replacement Personnel (excludes regular salary pay)	\$877,759
Total Cost	\$3,153,579

Recommendation: The SAFD Chief should eliminate the practice of uniformed personnel taking extended periods of unsubstantiated sick leave just prior to retirement.

¹⁰ Excludes the sick leave payout at retirement.

Appendix A – SAFD Overtime

Overtime pay is a large portion of annual wages for some SAFD uniformed employees. For example, SAP data for FY 2010 shows that 312 of 1,598¹¹ uniformed SAFD employees (more than 19 percent) were paid overtime that was 30 percent or more than their annual base pay. Furthermore, 20 of these uniformed employees received overtime pay that exceeded their annual base pay by 100 percent (see **Appendix B**) on page 14.

The following table shows overtime pay as a percentage of annual base pay for the 312 uniformed employees mentioned above. Based on the table, 19% of uniformed employees (312 ÷ 1,598) accounted for 52% (\$10M ÷ \$19M) of the overtime paid in FY 2010.

FY 2010 Overtime Pay as a Percentage of Annual Base Pay	Number of Employees	Annual Base Pay	Additional Overtime Pay
At least 30%, but less than 50%	174	\$9,763,877.63	\$3,878,368.21
At least 50%, but less than 100%	118	\$6,911,752.87	\$4,642,895.32
Over 100% (see Appendix B)	20	\$1,265,613.79	\$1,630,805.60
Total	312	\$17,941,244.29	\$10,152,069.13

¹¹ Data obtained from SAP

Appendix B – Top 20 SAFD Overtime Pay Recipients

For the Period October 1, 2009 to September 30, 2010

#	Cost Center	Rank	Compensation			
			Overtime Pay	Base Pay	Overtime and Base Pay	Overtime as a % of Base Pay
1	Dispatch	Lieutenant	\$ 118,238.98	\$ 66,663.32	\$ 184,902.30	177%
2	Dispatch	Apparatus Operator	\$ 103,548.47	\$ 60,964.57	\$ 164,513.04	170%
3	Dispatch	Apparatus Operator	\$ 91,210.10	\$ 60,383.96	\$ 151,594.06	151%
4	EMS	Captain	\$ 103,169.92	\$ 70,717.80	\$ 173,887.72	146%
5	Dispatch	Apparatus Operator	\$ 82,670.37	\$ 56,951.96	\$ 139,622.33	145%
6	Dispatch	Lieutenant	\$ 95,765.04	\$ 66,407.90	\$ 162,172.94	144%
7	Dispatch	Apparatus Operator	\$ 84,611.36	\$ 60,383.96	\$ 144,995.32	140%
8	Dispatch	Firefighter	\$ 76,273.66	\$ 55,609.57	\$ 131,883.23	137%
9	Dispatch	Apparatus Operator	\$ 81,284.62	\$ 60,383.96	\$ 141,668.58	135%
10	Dispatch	Apparatus Operator	\$ 77,196.91	\$ 60,964.57	\$ 138,161.48	127%
11	Dispatch	Apparatus Operator	\$ 75,530.07	\$ 60,383.96	\$ 135,914.03	125%
12	EMS	Lieutenant	\$ 81,814.07	\$ 66,407.90	\$ 148,221.97	123%
13	EMS	Captain	\$ 92,180.24	\$ 76,629.79	\$ 168,810.03	120%
14	EMS	Lieutenant	\$ 76,523.52	\$ 66,407.90	\$ 142,931.42	115%
15	Dispatch	Apparatus Operator	\$ 62,296.62	\$ 56,404.35	\$ 118,700.97	110%
16	Dispatch	Lieutenant	\$ 68,159.99	\$ 65,726.06	\$ 133,886.05	104%
17	EMS	Lieutenant	\$ 68,583.80	\$ 66,407.90	\$ 134,991.70	103%
18	Dispatch	Apparatus Operator	\$ 61,755.99	\$ 60,383.96	\$ 122,139.95	102%
19	EMS	Lieutenant	\$ 68,462.80	\$ 67,046.44	\$ 135,509.24	102%
20	Dispatch	Apparatus Operator	\$ 61,529.07	\$ 60,383.96	\$ 121,913.03	102%

Appendix C – Sick Leave Paid to FY 2010 SAFD Retirees

Emp. No.	Sick Leave Taken/Paid Prior to Retirement			Sick Leave Payout at Retirement			TOTAL Hours Paid	TOTAL Sick Leave Paid
	Elapsed Days from Last Day Worked to Retirement Day	Sick Hours Taken	Sick Leave Paid	Hours	Hourly Rate	Total ¹²		
1	603	4,668	\$125,756	322	\$26.94	\$8,675	4,990	\$134,431
2	432	3,264	\$114,175	961	\$34.98	\$33,616	4,225	\$147,791
3	422	3,216	\$87,282	1,080	\$27.14	\$29,311	4,296	\$116,593
4	350	2,580	\$84,727	887	\$32.84	\$29,129	3,467	\$113,856
5	333	2,401	\$60,553	1,080	\$25.22	\$27,238	3,481	\$87,791
6	423	2,199	\$99,064	1,080	\$45.05	\$48,654	3,279	\$147,718
7	336	2,160	\$58,190	1,080	\$26.94	\$29,095	3,240	\$87,286
8	301	2,088	\$69,196	1,080	\$33.14	\$35,791	3,168	\$104,988
9	267	2,028	\$48,834	972	\$24.08	\$23,406	3,000	\$72,240
10	258	1,992	\$66,692	1,080	\$33.48	\$36,158	3,072	\$102,851
11	248	1,944	\$46,812	1,080	\$24.08	\$26,006	3,024	\$72,818
12	263	1,860	\$74,251	1,080	\$39.92	\$43,114	2,940	\$117,365
13	315	1,790	\$70,132	1,080	\$39.18	\$42,314	2,870	\$112,447
14	220	1,488	\$35,831	1,080	\$24.08	\$26,006	2,568	\$61,837
15	262	1,452	\$55,016	1,080	\$37.89	\$40,921	2,532	\$95,937
16	245	1,336	\$39,051	1,080	\$29.23	\$31,568	2,416	\$70,620
17	171	1,308	\$37,069	1,080	\$28.34	\$30,607	2,388	\$67,676
18	165	1,284	\$38,520	1,080	\$30.00	\$32,400	2,364	\$70,920
19	218	1,248	\$45,240	1,080	\$36.25	\$39,150	2,328	\$84,390
20	162	1,236	\$30,764	1,080	\$24.89	\$26,881	2,316	\$57,645
21	202	1,224	\$29,609	1,080	\$24.19	\$26,125	2,304	\$55,734
22	165	1,200	\$29,736	1,080	\$24.78	\$26,762	2,280	\$56,498
23	149	1,128	\$26,925	1,080	\$23.87	\$25,780	2,208	\$52,705
24	202	948	\$32,829	1,080	\$34.63	\$37,400	2,028	\$70,230
25	125	852	\$21,113	1,080	\$24.78	\$26,762	1,932	\$47,875
26	111	816	\$20,939	1,080	\$25.66	\$27,713	1,896	\$48,651
27	187	792	\$24,037	1,080	\$30.35	\$32,778	1,872	\$56,815
28	109	780	\$21,302	1,080	\$27.31	\$29,495	1,860	\$50,797
29	150	768	\$27,379	1,080	\$35.65	\$38,502	1,848	\$65,881
30	101	768	\$26,496	1,080	\$34.50	\$37,260	1,848	\$63,756
31	98	720	\$27,706	1,080	\$38.48	\$41,558	1,800	\$69,264
32	120	708	\$24,461	1,080	\$34.55	\$37,314	1,788	\$61,775
33	121	600	\$20,946	1,080	\$34.91	\$37,703	1,680	\$58,649
34	89	600	\$15,684	1,080	\$26.14	\$28,231	1,680	\$43,915
35	117	576	\$21,825	1,080	\$37.89	\$40,921	1,656	\$62,746
36	88	576	\$15,454	1,080	\$26.83	\$28,976	1,656	\$44,430
37	104	536	\$13,164	1,080	\$24.56	\$26,525	1,616	\$39,689
38	67	384	\$15,160	1,080	\$39.48	\$42,638	1,464	\$57,799
39	42	324	\$11,275	1,080	\$34.80	\$37,584	1,404	\$48,859
40	65	324	\$12,276	1,080	\$37.89	\$40,921	1,404	\$53,198
41	67	276	\$9,552	1,080	\$34.61	\$37,379	1,356	\$46,931
42	68	240	\$8,311	1,080	\$34.63	\$37,400	1,320	\$45,711
43	38	200	\$6,926	1,080	\$34.63	\$37,400	1,280	\$44,326
44	17	108	\$3,650	1,080	\$33.80	\$36,504	1,188	\$40,154
45	7	48	\$1,607	1,080	\$33.48	\$36,158	1,128	\$37,765
TOT	8,603	57,038	\$1,755,517	47,422		\$1,495,829	104,460	\$3,251,353
Avg.	191	1,268	\$39,011	1,054	\$31.47	\$33,241	2,321	\$72,252

¹² This figure excludes payouts to uniformed employees for accrued holiday, vacation, and bonus days.

Appendix D – Staff Acknowledgement

Mark Bigler, CPA-Utah, CISA, CFE, Audit Manager
Gabriel Trevino, CISA, Auditor in Charge
Arlena Sones, CPA, CIA, CGAP, Auditor
Alex Valadez, CISA, CBMR, CBRA, Auditor
Rebecca Moulder, CIA, Auditor
Claudia Pena, CFE, Auditor

Appendix E – Management Response

 CITY OF SAN ANTONIO <small>SAN ANTONIO TEXAS 78283-3966</small>					
<p>July 25, 2011</p> <p>Kevin Barthold, CPA, CIA, CISA Acting City Auditor San Antonio, Texas</p> <p>RE: Management's Corrective Action Plan for the Fire Department Payroll System Audit</p> <p>SAFD has reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.</p>					
Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
A	<p>Transaction Logging</p> <p>Recommendation: The SAFD Chief should collaborate with the Information Technology Services Department (ITSD) to implement effective audit trails in the PayFire application. PayFire should automatically and transparently capture the user ID, date, time and user's terminal ID (if possible) of every entered transaction. The same information should also be captured for any user making subsequent changes to PayFire records. Additionally, the SAFD Chief should develop and document procedures for monitoring PayFire access logs and taking action in response to access violations.</p>	4	Accept	Hope Brooks Kevin Goodwin	January 1, 2012
<p>Action plan:</p> <p>The SAFD agrees that the payroll system should have audit trails that effectively capture history of users, transaction and dates. The current PayFire system cannot, however, be modified to develop audit trails because of the limitations inherent in Access databases. The SAFD has previously looked at replacing Payfire with three different applications: SAP, Orion and Denali. These off the shelf systems have not demonstrated the flexibility or functionality necessary to conduct both payroll and staffing in a single product. Additionally, the details of our process are determined by labor contract, civil service and SAFD needs which would require them to rewrite too much of their product to be worth the cost to either party.</p> <p>The SAFD is currently working with ITSD to evaluate a new program, Telestaff, to determine if it can effectively meet the payroll and accountability requirements of the Department. The initial reviews and business case for utilizing the Telestaff application have passed the review of the ITAC, and was sent to the IT Governance Board. The IT Governance Board approved this item on Friday, July 8, 2011, and it will be moved through the FY 2012 IT budget process. This application will satisfy the audit requirements of transaction logging to the user level and will require individual users be assigned. The proposed application, Telestaff captures the necessary information required by this audit.</p>					

Appendix E – Management Response (Cont)

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
B	<p>Access Controls</p> <p>Recommendation: The SAFD Chief should implement user access controls that are in alignment with AD 7.6 Security and Passwords. Additionally, the SAFD Chief should remove all generic user ID's from the Active Directory groups that control access to PayFire and require users to use their ITSD-assigned personal logon IDs.</p>	5	Accept	Hope Brooks Kevin Goodwin	January 1, 2012
<p>Action plan:</p> <p>The SAFD agrees that the payroll system should have audit trails that effectively capture history of users, transaction and dates. The current PayFire system cannot, however, be modified to develop audit trails because of the limitations inherent in Access databases. The SAFD is currently working with ITSD to evaluate a new program, Telestaff, to determine if it can effectively meet the payroll and accountability requirements of the Department. The initial reviews and business case for utilizing the Telestaff application has passed the review of the ITAC and was sent to the IT Governance Board. The Board approved this item on Friday, July 8, 2011, and it will be moved through the FY 2012 IT budget process. This application will satisfy the audit requirements of transaction logging to the user level and will require individual users be assigned. The proposed application, Telestaff captures the information required by this audit.</p>					
C	<p>Security Over Sensitive Data</p> <p>Recommendation: The SAFD Chief should collaborate with ITSD to modify the PayFire-to-SAP upload script to use employee numbers instead of social security numbers. Additionally, the SAFD Chief should purge social security numbers from the PayFire application database and all archived copies.</p>	5	Accept	Asst. Chief Noel Horan	Completed - March 4, 2011
<p>Action plan:</p> <p>The PayFire-to-SAP upload script was modified to use employee numbers instead of social security numbers. Testing of the interface using SAP numbers began in February of 2011, and the transition was made with the March 4, 2011 payroll. Additionally, Social Security Numbers have been deleted from the Employee Info database.</p>					
D	<p>PayFire User Access Reviews</p> <p>Recommendation: The SAFD Chief should document and implement procedures to periodically review PayFire access authorization listings and determine whether users and privileges remain appropriate.</p>	6	Accept	Asst. Chief Noel Horan, Hope Brooks	October 1, 2011
<p>Action plan:</p> <p>The SAFD agrees with this audit finding, and will develop and implement processes to periodically review user access permissions.</p>					

Appendix E – Management Response (Cont)

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
E	<p>Validation and Edit Controls</p> <p>Recommendation: The SAFD Chief should work with ITSD to implement validation and edit controls in PayFire and SAP to prevent overtime from exceeding 24 hours for a one-day period.</p>	7	Accept	Asst. Chief Noel Horan, Hope Brooks	October 1, 2011
<p>Action plan:</p> <p>The SAFD agrees with this audit finding. Overtime exceeding 24 hours in a one day period occurs when overtime worked one day is entered into SAP on a different day. This generally happens when employees earn overtime for attending a training class, but that overtime is not entered by the instructors until sometime later. The SAFD will work with instructors to insure that overtime is entered timely, and will work with ITSD to develop and implement validation and edit controls on the SAP side of the interface transaction to insure that instances are caught when they do occur.</p>					
F	<p>Conflict of Interests</p> <p>Recommendation: The SAFD Chief should assign PayFire administrator responsibilities to a civilian with no conflicts of interest.</p>	7	Accept	Asst. Chief Noel Horan	Completed - March 4, 2011
<p>Action plan:</p> <p>This issue has been addressed. The responsibility for Payroll Administrator position has been removed from the EMS Shift Commander, and has been assigned to a civilian employee within the Department's Management Information Systems (MIS) Division.</p>					
G	<p>Backup/Documentation</p> <p>Recommendation: The SAFD Chief should designate a backup person to be trained to perform PayFire duties. Additionally, the SAFD Chief should create formal policies, procedures and documentation for PayFire.</p>	7	Accept	Asst. Chief Noel Horan	Completed - March 4, 2011
<p>Action plan:</p> <p>This issue has been addressed. The Payroll Supervisor, a Sr. Management Analyst, has been assigned the responsibility of transferring payroll data from PayFire to SAP with the March 4, 2011 payroll. Her back up will be the Sr. Management Analyst assigned to SAFD Personnel.</p> <p>Additionally, formal written procedures have been developed so that, if necessary, others can run payroll should circumstances require.</p>					

Appendix E – Management Response (Cont)

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
H	<p>PayFire/SAP Reconciliations</p> <p>Recommendation: The SAFD Chief should perform and document a reconciliation when data is uploaded from PayFire to SAP. The reconciliation should include a comparison of PayFire record counts and values to SAP record counts and values after completion of the upload. The SAFD Chief should also develop written procedures for performing these reconciliations.</p>	8	Accept	Asst. Chief Noel Horan, Linda Almendarez	August 1, 2011
<p>Action plan:</p> <p>The SAFD agrees with this audit finding, and will develop and implement a reconciliation process to periodically to compare PayFire record counts and values with those found in SAP.</p>					
I	<p>SAP: Incentive Payment Process</p> <p>Recommendation: The SAFD Chief should document and implement procedures for activating, reviewing, and monitoring incentive payments for validity.</p>	10	Accept	Asst. Chief Noel Horan, Linda Almendarez	October 1, 2011
<p>Action plan:</p> <p>The SAFD agrees with this audit finding. The auditors sampled 733 out of 1,051 records over a two year period, and identified 4 cases where the incentives were incorrect. This amounted to overpayment of \$1,875 to two employees and the SAFD has gone back and recovered the overpayment. Additionally, the auditors identified \$600 in underpayments to two other employees. These employees have been made whole. The SAFD will develop and implement processes to periodically review the validity of incentive payments.</p>					
J	<p>Overtime Authorization</p> <p>Recommendation: The SAFD Chief should ensure that all overtime is authorized and documented before it is worked.</p>	10	Accept	Asst. Chief Noel Horan	Completed – July 30, 2007
<p>Action plan:</p> <p>The SAFD agrees with this audit finding, and actually implemented a policy on July 30, 2007, General Order #G07003 (<i>Overtime - Payroll Entry Standard Operating Procedure</i>), that requires overtime to be authorized. Exceptions to this policy are made for time spent handling emergencies after regular duty hours. Such exceptions must be reported to the proper authority for review.</p>					
K	<p>Mandatory Time Off</p> <p>Recommendation: The SAFD Chief should ensure that uniformed personnel are not allowed to work within 24 hours of completing a work shift.</p>	10	Partially Accept	Asst. Chief Noel Horan	N/A

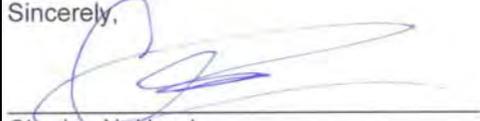
Appendix E – Management Response (Cont)

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
<p><u>Action plan:</u></p> <p>The SAFD agrees that employees in the Emergency Medical Services and Communications Divisions should work no more than the 24 hours required by the Collective Bargaining Agreement (CBA), and will take all steps necessary to limit those instances that do occur. The CBA also, however, gives the Fire Chief the authority to allow/require an employee to work more than 24 hours, and the SAFD believes that this decision should be made at the sole discretion of the Fire Chief, based upon operational necessity. Article 3, Section 1, of the CBA states:</p> <p><i>The Union recognizes the management of the City of San Antonio and the direction of the Fire Department are vested exclusively in the City, subject to the terms of this Agreement, and nothing in this Agreement is intended to circumscribe or modify the existing rights of the City. These rights include:</i></p> <p><i>A. Direct the work of its employees to include the scheduling of overtime work.</i></p> <p><i>B. Hire, promote, demote, transfer, assign, and retain employees in positions within the City, subject to Civil Service regulations and/or terms of this Agreement.</i></p> <p><i>D. Maintain the efficiency of governmental operations.</i></p> <p><i>H. Determine the methods, processes, means, and personnel by which operations are to be carried out.</i></p> <p>Limiting the authority of the Fire Chief to hold employees over the 24 hour threshold would ultimately result in disruption of service in both the Emergency Medical Services and Communications Divisions, an outcome which is unacceptable to the SAFD.</p>					
L	<p>Cost of Leave Prior to Retirement</p> <p>Recommendation: The SAFD Chief should eliminate the practice of uniformed personnel to take extended periods of unsubstantiated sick leave just prior to retirement.</p>	12	Accept	Asst. Chief Noel Horan	N/A
<p><u>Action plan:</u></p> <p>The SAFD agrees that it must work to limit and/or mitigate the impact of employees who use sick leave prior to retirement, subject to the constraints imposed by state statute, the Collective Bargaining Agreement and City policy. The Texas Local Government Code, Chapter 143, allows employees to accrue sick leave, and said employees are authorized to use leave for bonafide illnesses and injuries. As with all other City employees, employees close to retirement have a requirement to provide a note from their physician, <i>upon their return to work</i>. Unlike other City employees, there are additional requirements placed upon employees of retirement tenure. These provisions are found in Article 23, <i>Sick Leave</i>, of the Collective Bargaining Agreement. The SAFD currently utilizes all of the tools available to it by statute, Collective Bargaining Agreement and City policy to deal with the use of extended sick leave by employees. This includes:</p> <ul style="list-style-type: none"> • Convalescence calling • Denial of Overtime • Additional physician's certificate requirements • Requiring personnel eligible for retirement to see a city doctor when they have been off for 30 days or more <p>Additionally, the Collective Bargaining Agreement, approved and adopted by City Council on May 19, 2011, calls for the implementation of a sick leave buy back program in FY 2014. The SAFD believes that this program will be a positive step toward reducing and/or eliminating the financial impact of personnel using sick leave prior to retirement.</p>					

Appendix E – Management Response (Cont)

We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,



Charles N. Hood
Fire Chief
SAFD Department

7/25/11
Date



Erik Walsh
Assistant City Manager
City Manager's Office

7/25/11
Date