

**CITY OF BUFFALO
DEPARTMENT OF AUDIT AND CONTROL**

**6 MONTH FOLLOW UP TO THE AUDIT REPORT ON
THE PAYROLL PROCEDURES AT THE FIRE
DEPARTMENT**

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Preface

In accordance with the goals set forth in the Annual Audit Plan, we conducted a 6 month follow-up to the June 2017 Audit Report on the Payroll Procedures at the Buffalo Fire Department (BFD). The June 2017 report was a follow-up of the initial audit on this topic issued in February 2016. The audit documented and evaluated payroll processes at the BFD. The audit report can be found on the City Comptroller website using the link below:

http://www.city-buffalo.com/Home/Leadership/City_Comptroller/Audits

The objective of the follow-up procedures was to determine if recommendations cited in the original audit report have been implemented. This follow-up audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. A draft report and request for response to this follow-up audit report were sent to BFD management on March 20, 2018. BFD management did not respond this request.

The following terms will be used throughout the report:

Original Audit Recommendation – Recommendation from the original audit.

Testing Performed – Follow-up testing to determine if the audit recommendation has been implemented.

Status of Audit Recommendation – Commentary provided by Department of Audit and Control (DAC) on the progress made towards implementing the audit recommendation.

Emergency Responders – Uniformed personnel, who are members of the Buffalo Professional Firefighters Association, Local 282.

Civilians – Non-uniformed personnel of the BFD, who are members of the American Federation of State, County and Municipal Employees, Local 650 and Local 264.

FTE – Full Time Equivalent, a staffing unit which is calculated by dividing total regular hours worked during the year by 2,080 hours. The 2,080 hours represents the annual regular hours of a full time employee.

Testing was performed using payroll information from MUNIS (the City of Buffalo's financial accounting software). All fiscal year (FY) 2018 information was annualized based on data through December 31, 2017 (13 of 26 pay periods).

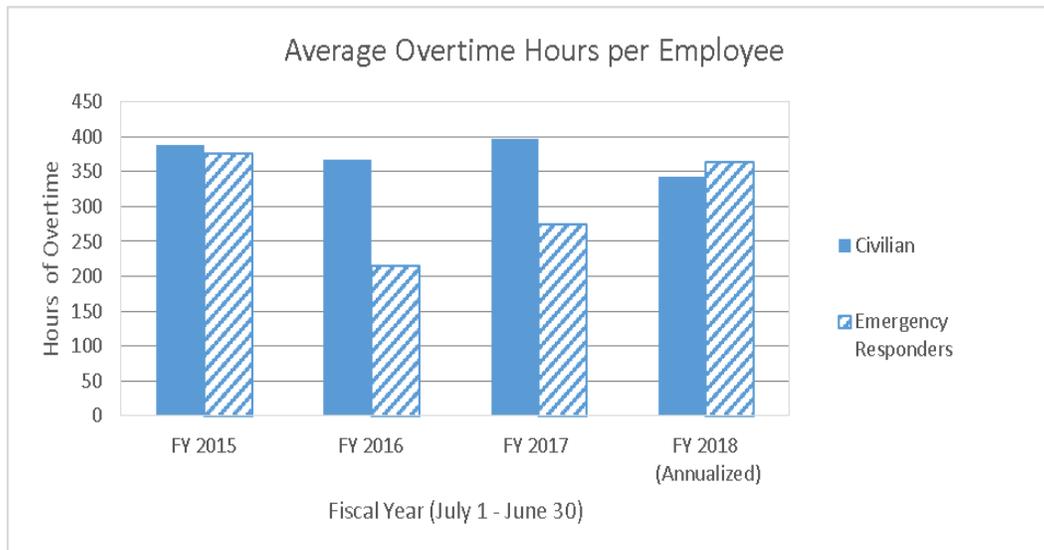
Status of Significant Audit Recommendation

Original Audit Recommendation: Reduce Overtime (OT) to Civilian employees

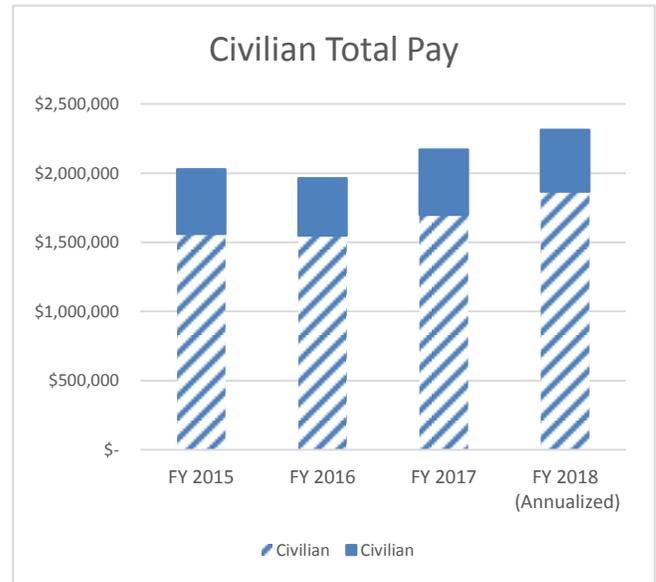
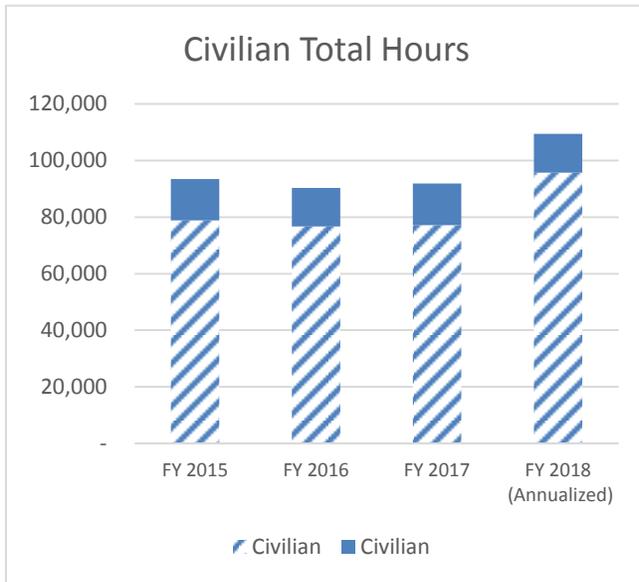
If civilian duties cannot be completed within the regularly scheduled shift, then staffing levels and scheduling should be adjusted accordingly. Civilian manpower needs are relatively consistent and predictable, therefore, with proper scheduling and staffing levels, the amount of OT should be minimal and significantly less than that of emergency responders.

Testing Performed: DAC analyzed payroll data for the current and previous three fiscal years and the following was noted.

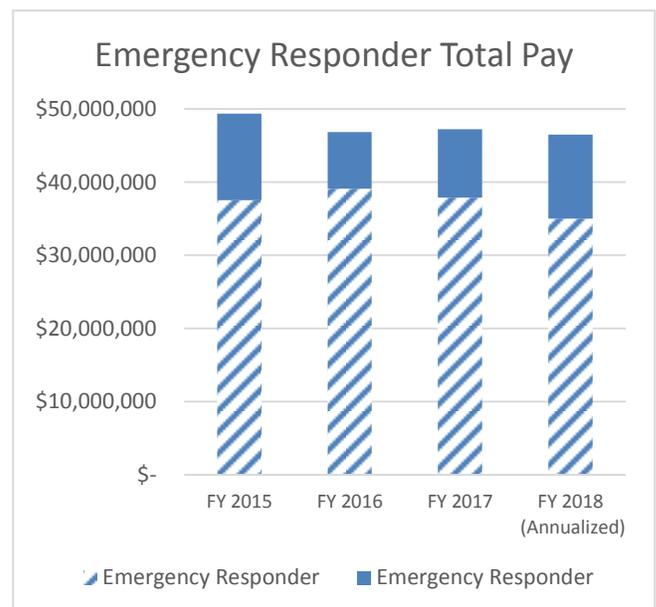
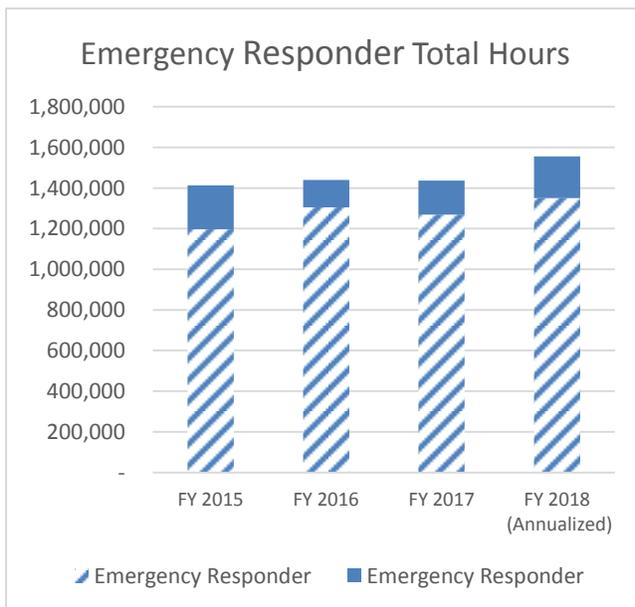
General Findings:



Civilian OT hours on a per employee basis have decreased from FY 2017 to FY 2018. On average, for the last four years civilian employees worked approximately 377 hours of OT per year and emergency responders average 310 hours of OT per year.



Total Civilian hours and pay have increased in FY 2018. Civilian OT hours have decreased by 10%, but still average over 7 hours of OT per FTE per week. This is equivalent to an extra full shift of work for each civilian every week.



Emergency Responder OT earnings are up 23% or approx. \$2.1M from FY 2017 to FY 2018. OT hours for emergency responders are up 23% or approx. 38,000 hours. Staffing levels have decreased approximately 8% or 47 FTEs. Due to the decrease in manpower, total base pay is down approximately \$2.9M. Total pay for Emergency Responders is down 2% or approximately \$748,000 from the prior year. OT hours per FTE are 364 hours for FY 2018 compared to 274 hours in FY 2017.

Each FTE at the BFD (both Civilian and Emergency Responder) averages 7 hours of OT every week.

Findings by Location:

Civilian Dispatchers

There are 14 FTEs at Civilian Dispatch which is a 22% increase from FY 2017 to FY 2018. Total base pay increased 24% to approximately \$570,000. OT earnings decreased 16% from FY 2017 to FY 2018 but remain high at \$197,000. Overall Civilian Dispatch OT is 35% of base pay with one Dispatcher earning more in OT than base pay (117% of their base pay in OT) and four others earning between 50% and 60% of their base pay in OT. Five employees earned between 20% and 40% of their base pay in OT.

Civilian dispatchers worked 24 or more consecutive hours on 38 separate instances, during the first 6 months of FY 2018. Of these 38 instances, 33 of them occurred in the first quarter of FY 2018, while the new dispatchers were still in training. This situation should be continually monitored by management so that 24 hours shifts are eliminated.

Fire Headquarters

Total OT earnings at Fire Headquarters have decreased by 26% from FY 2017. However, one employee is on pace to earn \$39,000 in OT pay (89% of total OT earned at Fire Headquarters) during FY 2018. This employee averaged over 16 hours of OT per week in FY 2018. Management should determine if the workload at headquarters can be more equitably distributed or if additional staff is necessary. The staffing level has remained consistent at 7 FTEs.

Fire Repair Shop

OT earnings increased 32% from FY 2017 to FY 2018 at the Fire Repair Shop. There are five FTEs at the Repair Shop with three employees earning OT wages in excess of 50% of their base pay salary during FY 2018. OT as a percentage of base pay is 36% for the Repair Shop. Staffing levels have not changed from FY 2017.

Fire Alarm Office

At the Fire Alarm Office, OT hours incurred remained consistent at approximately 2,000 hours for FY 2017 and FY 2018. There are eight FTEs at the Alarm Office with five employees earning OT wages in excess of 20% of their base pay salary during FY 2018. Staffing levels have not changed from FY 2017.

Status of Original Audit Recommendation: The recommendation has not been fully implemented.

Conclusion

Management has not adjusted staffing levels to significantly reduce Civilian OT costs as recommended in our initial and follow-up audits. As shown in the report, each FTE within the BFD averages 7 hours of OT every week. Management should perform a cost-benefit analysis to determine proper staffing levels throughout the BFD, and then staff the department accordingly. This would save taxpayers money and create a more efficient work environment for BFD employees.