UNIVERSITY OF CALIFORNIA, SAN FRANCISCO
AUDIT SERVICES

Campus Overtime
Project #12-016

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I.   **BACKGROUND**

As a planned audit for FY 2012, Audit Services performed a review of overtime and on-call time management at UCSF. Historically, overtime is more susceptible to abuse and therefore requires additional processes and monitoring to ensure that it is managed properly and in accordance with policy.

During FY 2011, a total of 105,494 overtime hours were worked. Overtime and on-call expenditures for staff at the UCSF Campus (excluding the Medical Center) have consistently stood at approximately 0.6% of regular salary expenses for the past three fiscal years.

Fiscal Year	Overtime	On-Call	Regular Pay
2009	$ 3,234,610	$ 304,479	$ 660,456,771
2010	$ 2,994,589	$ 224,872	$ 538,935,981
2011	$ 3,331,717	$ 200,553	$ 580,936,547

The policy and regulatory requirements stipulating which employees are eligible for overtime and/or on-call time, as well as how such time is accumulated and paid is governed by University of California Personnel Policies for staff members as well as the collective bargaining agreements for various bargaining units representing the employees at UCSF.[1]

The review focused on selected Campus departments (excluding Medical Center) with the highest overtime and on-call expenditures, as well as any departments with significant changes in overtime and/or on-call use over a three year timeframe. Additionally, we reviewed the highest earning individual employees for overtime and on-call compensation in fiscal year 2011.

Overtime and on-call is typically worked on a voluntary basis and awarded to staff by qualification, seniority and, in some bargaining units, fairness of distribution. All overtime and on-call assignments are reviewed by management or the appropriate scheduling supervisor to ensure that the employee is willing to cover the specific shift is properly qualified and trained to perform the necessary work.

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[1] University of California Personnel Policies for Staff Members 31-Hours of Work, 32-Overtime, 33-Shift and Weekend Differential; collective bargaining agreements applicable to this review include Agreement with AFSCME for the Service Unit (SX), Agreement with UPTE for the Technical Unit (TX) and the Health Care Professional Unit (HX), Agreement with FUPOA for the Police Officers Unit (PA), Agreement with the Coalition of University Employees for the Clerical and Allied Services Unit (CX), and the Agreement with SFBCTC for the Trades Unit (K2).

II.   **PURPOSE AND SCOPE**

The objectives of this review were to assess how overtime and on-call is managed and monitored, including whether effective systems, reporting tools and procedures exist to effectively manage and monitor overtime and on-call at the department level; and to ensure compliance with applicable University policies and bargaining unit agreements governing overtime and on-call time. The review was limited to overtime and on-call management and monitoring for the UCSF Campus. A separate audit was performed for overtime and on-call management for the UCSF Medical Center.

In conducting the review, the following procedures were performed for the selected departments:

- Management from selected departments was interviewed to determine:
  o Allocation and assignment of overtime and on-call to staff;
  o Use of the Huntington Business Timekeeping System (HBS) for reporting overtime hours and approving timesheets and WebLinks payroll reporting system (WebLinks) for tracking of overtime and on-call hours and expenses;
  o Oversight and tracking of overtime and on-call activities;
  o Utilization of reporting tools or other methods for tracking and monitoring overtime;
  o Assessment of the 'reasonableness' of the amount of overtime and on-call time worked by their employees;
  o The causes of significant variances of overtime between employees in the same title codes;
  o Reasons for high overtime worked by specific individuals and whether alternative strategies such as use of temporary staff; increase in Full Time Equivalent (FTE), shift scheduling changes have been assessed and considered;
  o Processes and procedures implemented to document and approve overtime and on-call activities;
  o Compliance with relevant policies is ensured when scheduling overtime and on-call time.
- Applicable State, University, Medical Center and departmental overtime and on-call policies were reviewed to gain an understanding of the policies and their application for the employees in the selected departments.
- Reviewed documentation supporting the assignment, approval and performance of overtime and on-call activities. Additionally, reviewed HBS system for timely approval of timesheets by supervisors/managers.

The scope of the review was limited to the specific procedures described above and related to and activities occurring in fiscal year 2011. As such, work completed is not intended, nor can it be relied upon to identify all instances of

potential irregularities, errors and control weaknesses. Fieldwork was completed in December 2011.

III. <u>CONCLUSION</u>

Overall, the departments reviewed had sufficient oversight and management of the overtime and on-call activities of their employees. All departments were well-aware of the various causes and drivers for overtime and on-call, and had created adequate methods of assigning overtime and on-call hours to their employees. Departments reviewed and approved all overtime worked. Approval was almost always obtained prior to actual performance of overtime. However, in circumstances where obtaining pre-approval was not practicable, overtime was reviewed and approved after-the-fact. Managers interviewed had implemented or considered potential alternate strategies to reduce overtime, such as part-time or temporary employees, shift changes, increase in FTEs, or contract workers. Timesheets for overtime-eligible employees were reviewed and approved in HBS by managers in a timely manner for all departments reviewed. Management was informed of and compliant with the applicable labor codes, bargaining agreements, and regulations related to overtime and on-call work.

We did identify one area that would improve overtime and on-call management and monitoring. Specifically, there is a need for more robust reporting from HBS for overtime and on-call activities. While most departments had implemented internal procedures for assigning and approving overtime and on-call activities in accordance with applicable policies, the review found that HBS did not have meaningful reports available to departments to actively monitor overtime activities. In addition, departments reviewed were not fully aware of WebLinks' overtime and on-call reporting capability, and required guidance to generate useful reports. As a result, departmental management resorted to internal tracking reports to collect the necessary information to manage overtime and on-call activities.

IV. <u>OBSERVATIONS AND MANAGEMENT CORRECTIVE ACTIONS</u>

A. Reporting Systems

1. HBS does not provide meaningful reports for monitoring and managing overtime and on-call activities for Campus departments.

The HBS timekeeping system currently does not have any reports specific to overtime. Although more robust reports on overtime developed for the Medical Center—including reports on 1) all paid transactions including overtime and on-call by week and 2) employees working more than 16 hours per day or 60 hours per week—Campus managers do not have

access to similar reports on overtime activities. While information on instances of overtime hours incurred are included in the Bi-Weekly Exceptions report as possible exceptions, there were no reports for tracking overtime usage over a certain time period in HBS for Campus departments.

2. Departments were not fully aware of WebLinks' reporting capability on overtime and on-call.

While the WebLinks system is capable of generating reports on overtime and on-call hours and related expenses, departments reviewed were not fully aware of the processes required to generate the information.   The WebLinks "Distribution of Payroll Expenses" report can be filtered on specific overtime and on-call codes (Description of Services) to create reports tracking overtime and on-call hours and expenses for a given time period. However, because there are numerous DOS codes pertaining to overtime and on-call pay, departments had to take several steps to set up a list of DOS codes relevant to their department before the report could be generated. As a result, some departments reviewed were not using this reporting capability.

Because of the lack of reporting capabilities in HBS and the lack of awareness of the processes for generating overtime and on-call reports in WebLinks, the review identified that several departments had to develop their own reports or continue maintaining shadow systems in order to monitor, track and manage overtime.

Management Corrective Actions

1) By May 31, 2012, Campus Payroll Services will form and coordinate a user group to assess and develop useful HBS reports on overtime for Campus departments.

2) By March 31, 2012, Campus Payroll Services will provide guidance via newsletter or website to educate Campus departments the process necessary to generate overtime and on-call usage reports for a given time period.