Office of the City Manager

INFORMATION CALENDAR
FEBRUARY 27, 2018

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Amelia Funghi, Animal Services Manager

Subject: Status Update: Audit Report on Written Guidance and Improved Monitoring Can Help Prevent Unnecessary Overtime at the Animal Shelter and Help Manage Citywide Comp Time at the Animal Shelter from October 1, 2014 – December 31, 2017

INTRODUCTION
On October 28, 2014, the City Auditor submitted an Animal Services audit report[1], with recommendations to minimize use of overtime, improve staffing efficiency, and help manage compensatory time citywide. The purpose of this report is to update City Council on the status of implementation of audit report's recommendations. This is the first status report regarding this audit.

CURRENT SITUATION AND ITS EFFECTS
The audit report contained eleven recommendations. As of the writing of this report, nine of those recommendations have been implemented, and one has been partially implemented. It is anticipated that all recommendations will be implemented by the next status report to Council.

Please see Attachment 1 for a detailed table of audit report recommendations, corrective action plans, and implementation progress. The next status report to Council is expected to be presented in September 11, 2018.

BACKGROUND
Animal Shelter management successful reduced overtime during fiscal year 2014; a commendable achievement. To keep costs from climbing again, management should document and enforce its methods for managing overtime, monitor its overtime budget and expenditures, and adjust staffing schedules as needed to align with fluctuating service demands. Management must also regularly assess staff capacity and communicate with the City Manager if staffing levels limit oversight and service delivery.

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[1] Audit: Written Guidance and Improved Monitoring can Help Prevent Unnecessary Overtime at the Animal Shelter and Help Manage Citywide Comp Time:
https://www.cityofberkeley.info/uploadedFiles/Auditor/Level_3_-_General/A.2_RPT_Animal%20Shelter%20Overtime%20and%20Staffing_Citywide%20Comp%20Time_Final.pdf

The City Manager should report this information to Council so that they can make informed budget decisions. The nature of Animal Shelter services requires some overtime, but management has opportunities to improve how it reduces unneeded overtime.

The City has a liability of $1.2 million for compensatory time and could experience unexpected payouts from this balance. The value of the citywide compensatory time balance is based on employee wages when they earned the time, not on their current wages, which means the actual cost could be higher when employees use their hours or receive payouts. Department management would benefit from citywide guidance for managing compensatory time to help control future costs.[2]

ENVIRONMENTAL SUSTAINABILITY
There are no identifiable environmental effects or opportunities associated with the subject of this report.

POSSIBLE FUTURE ACTION
The Animal Care Services Division continues to meet monthly with the City Manager Budget Office to identify areas of improvement with the staffing schedules and levels at the Animal Shelter. The City Manager's Office will continue to work with Animal Care Services to complete implementation of the recommendations.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION
None

CONTACT PERSON
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Attachments:
1: Audit Findings, Recommendations, and Management Response Summary Table

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[2] Audit: Written Guidance and Improved Monitoring can Help Prevent Unnecessary Overtime at the Animal Shelter and Help Manage Citywide Comp Time:
https://www.cityofberkeley.info/uploadedFiles/Auditor/Level_3_-_General/A.2_RPT_Animal%20Shelter%20Overtime%20and%20Staffing_Citywide%20Comp%20Time_Final.pdf, Page 1

City of Berkeley
City Auditor's Office
Audit Findings and Recommendations Response Form

Keep this form and use it as tool for monitoring the status of open recommendations and for completing the Information Reports issued to Council regarding the implementation status of outstanding audit recommendations. As the status of a recommendation changes or evolves, you should add that information to the column *Status of Outstanding Audit Recommendations and Implementation Progress Summary*. You should **not** delete the preexisting information. Instead, the column should be used as a running summary of what has taken and is taking place to implement the recommendation.

Audit Title: Written Guidance and Improved Monitoring can Help Prevent Overtime Costs at the Animal Shelter and Help Manage Citywide Comp Time				
Finding and Recommendations	**Lead Dept.**	**Agree, Partially Agree, or Do Not Agree and Corrective Action Plan**	**Expected or Actual Implementation Date**	**Status of Outstanding Audit Recommendations and Implementation Progress Summary**
Finding 1: Written guidance for staff scheduling and overtime, and budget monitoring are critical tools for controlling personnel costs				
1.1 Assess service delivery needs and patterns to determine whether changes to the standard schedule are needed to help prevent unnecessary overtime. Include both internal and external factors that affect staffing needs so that the Animal Shelter can provide adequate animal care, ensure a safe workplace, and respond to public needs, including emergency calls. Factors should include, but not be limited to, the following possible influences on staffing level needs: ▪ Holidays ▪ Weekends ▪ University school years ▪ Staff turnover ▪ Overtime pattern	Animal Services	Agree. Animal Services management will monitor the standard schedule and will make adjustments, as necessary, to help prevent unnecessary overtime.	September 2014	**9/1/2014: Fully Implemented** **Status 2.27.18:** Animal Services Management has continued to monitor the staff schedule and to make adjustments to prevent unnecessary overtime. The minimum number of staff are scheduled on holidays. Staff use of Workers Comp and FMLA have presented challenges to staffing but management has minimized the use of overtime whenever possible
1.2 Adjust staff schedules to address service delivery needs based on the assessment done in response to recommendation 1.1.	Animal Services	Agree. Animal Services management will monitor the standard schedule and will make adjustments, as necessary, to help prevent unnecessary overtime.	September 2014	**9/1/2014: Implemented**
1.3 Monitor overtime and instances where staff could not complete their duties because of workload capacity. Use a	Animal	Agree. The current daily log sheet clearly shows if any field service calls are carried over to the following day.	September 2014;	**9/26/2014: Partially Implemented**

Audit Finding and Recommendations Response Form

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daily-tasks checklist as a means for identifying the work staff could not complete because of time or staffing-level constraints.	Services	AS management will develop a form for kennel staff and office staff to record any daily tasks that they are unable to complete and have to carry over to the next day.	actual April 2017	Staff will develop a daily tasks checklist for kennel attendants and office staff. **Status 2.27.18: Implemented** Kennel Attendants (Animal Service Assistants) use the detailed task list of their job description as a daily checklist and are consistently able to complete required tasks. Animal Control Officers prioritize calls using standards contained in the Animal Services Policies and Procedures Manual (AS P&P Manual) Section 5.12 in order to carry over non-priority calls to the next day and avoid unnecessary overtime.
1.4 Provide the City Manager with information regarding the actual impact on the Animal Shelter's ability to provide services if staffing levels limit the shelter's ability to: ▪ provide minimum animal care services ▪ conduct regular field service activities ▪ minimize overtime ▪ rehabilitate and care for special needs animals ▪ perform daily oversight and administrative tasks To assist in demonstrating the impact that staffing shortages have on service levels, use the National Animal Care and Control Association kennel staffing formula as a benchmark for identifying the suggested staffing level based on the average number of animals sheltered daily. See Appendix C. Prepare the information using standard City reporting	Animal Services	Agree. Animal Services will provide a quarterly report to the City Manager identifying the days and numbers of hours in which regular field services are not provided due to staff shortages that require field staff to be redeployed to the shelter to care for animals. This report will also include information on overtime usage, numbers of hours and cost and examples of situations where overtime was approved. A further report will be provided to the City Manager showing the ongoing gap between current staffing levels and levels recommended by the NACA. The shelter makes every effort to provide more than the minimum of animal care services and is always committed to rehabilitation and care for special needs animals. Any limit in staffing levels that cause standard	January 2015	**Status 2.27.18: Implemented** The Animal Services Manager provides quarterly reports to the City Manager indicating current staffing, number of days when regular field services could not be provided, overtime usage and cost due to staff shortages. With the addition of new staff in 2017, Animal Care Services estimates current staffing levels at 3.9 staff per day, with field staff performing shelter care as needed. Staff feels that the existing staffing levels allow for the shelter to meet the minimum of animal care services.

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templates and guidance so that the City Manager can readily use the information to report to Council on the service delivery and oversight impacts. Also see recommendation 1.9.		of care to fail to meet NACA minimum standards will be reported to the City Manager.		
1.5 Ensure personnel assigned to review and approve timecards, and responsible for payroll time entry: ▪ receive ongoing training for overtime approval procedures and allowances, and payroll-processing. ▪ read the payroll manual, including the referenced material in the manual, such as the instructions for updating account codes (also known as budget codes). ▪ receive information they need to verify that employees code their time to the appropriate pay code, for example, staff schedules that show when an employee worked overtime on a holiday.	Animal Services	Agree. At this time the Animal Shelter is not funded for any supervisors except the manager. The manager now reviews and approves all timecards. In the future, any new supervisors will be trained as recommended. We did and will continue to ensure that the payroll clerk receives ongoing guidance and training. When the budget code error was brought to our attention in April 2014, we took immediate corrective action and the payroll clerk continues to refer to the payroll manual for guidance.	Implemented in 2014	**Status 2.27.18: Implemented** Animal Care Services continues to employ only one supervisor and/or manager, who reviews and approves payroll time entry.
1.6 Sample the work done by staff newly assigned to review and approve times cards and to process payroll to confirm they complete the work correctly and to identify training needs until their work demonstrates an understanding and knowledge of their assigned tasks.	Animal Services	Agree. Anyone newly assigned to review and approve timecards at the Animal shelter will have their work reviewed on a sample basis to determine if it is being done correctly and to identify training needs until their work demonstrates an understanding and knowledge of their duties.	September 2014	**Status 2.27.18: Implemented**
1.7 Estimate and establish appropriate overtime budgets for the Animal Shelter using a combination of historical overtime expenditures and analysis of overtime used. This should include identifying the required overtime to provide services and animal care on City honored holidays.	Animal Services	Agree. While it is easy to estimate the overtime budget required on Holidays, management and budget staff will gather overtime information from previous years to in order to establish an appropriate budget for emergency overtime. Carry over funds from FY14 will be used to adequately fund overtime for FY15.	May 2015	**Status 2.27.18: Implemented** This is part of the regular monthly meeting agenda with the budget unit and will be reported to the City Manager for consideration in the budget process. Overtime budgets are discussed in monthly meetings with the budget unit.

Audit Finding and Recommendations Response Form

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1.8 Establish written policies and procedures for approving, allowing, and monitoring overtime; and staffing the shelter. Include guidance and explanations for:
▪ Limiting end-of-shift services calls to emergency needs only so that staff are able to leave work on time.
▪ Requiring police services to confirm it needs assistance so that on-call personnel respond to only emergencies requiring animal control services.
▪ Training volunteers only during regularly scheduled work hours
▪ Requiring staff to leave noncritical work for the following day when it cannot be completed within the normal work day; this should include identifying the specific work that staff may leave until the next day.
▪ Requiring staff to obtain written supervisor approval for all non-essential overtime before they earn it.
▪ Comparing budget to actual and year-to-year overtime expenditures to look for anomalies and variances that suggest:
  ▫ staff are using incorrect pay codes
  ▫ staff are recoding overtime incorrectly
  ▫ service levels have changed requiring a reassessment of staff schedules
  ▫ staffing levels are insufficient to meet service demands
 	
Requiring three people to work on holidays to ensure minimum animal care services and employee safety. This should include identifying what staff should do if less than three people are available to work. For example, restrict access
	Animal Services	Agree. Animal Services management is in the process of writing overtime policies and procedures that reflect current practices as recommended.	October 2014; actual April 2017	**Status 2.27.18: Implemented**
				
				The Manager of AS established written policies and procedures for approving overtime (AS P&P Manual, 1.07). Prior approval from the manager is required for use of overtime. End of day service calls are limited to emergency only and police are informed of this policy. Non-critical work is left for the next day.
				
				Volunteer activities are scheduled only during regularly scheduled work hours.
				
				The manager reviews time sheets to insure correct use of pay codes.
				
				The minimum number of required staff, three, are scheduled for holidays.

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to animals if an employee must respond to an emergency and there is only one employee at the shelter.				
1.9 Use the information provided by Animal Shelter management to inform City Council on the actual impact to service delivery and oversight as compared to previously reported expectations regarding those limitations. Also see recommendation 1.4.	City Manager	Agree. The City Manager will continue to inform City Council of the impacts to service delivery and oversight functions associated with budget reductions at the Animal Shelter. This will occur during the upcoming biannual budget cycle.	May 2015	**Status 2.27.18: Implemented** In Fiscal Year 2016-2017, Animal Services added 1.0 FTE Registered Veterinary Technician to the division; this position greatly reduced the need for contracted veterinary care with outside vendors and significantly reduced associated cost. In Fiscal Year 2017-2018, 1.0 FTE Senior Animal Control Officer and 0.5 FTE Animal Services Assistant was added to the division. These additions brought Animal Services staffing into alignment with the National Animal Control Association's formula for determining sufficient staffing levels in animal shelters. Moving forward, the City Manager will use the staff-capacity information provided by Animal Shelter management to inform City Council if budgeted staffing levels may result in expected services levels not being met. As part of the December 5, 2017 budget carryover from Fiscal Year 2017, Staff requested, and City Council approved, a one-time $5,000 carryover in overtime for monthly rated employees, as well as $5,000 in hourly and dated employees, to

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				compensate for temporary staffing shortages. Staff is working with Human Resources to fill the vacant positions.
1.10 Provide department management with guidance for managing compensatory time balances including criteria for approving comp time and the potential impacts of comp time, and promoting an understanding among managers that allowing compensatory time is at their discretion. The guidance should require department directors to use payroll reports to review their compensatory time balances at least biannually as part of their efforts to monitor personnel leave accruals.	City Manager	Agree. The City Manager will create a guidance document for managing compensatory time that will be distributed to managers and will include guidance about using payroll reports to review compensatory time balances.	December 2014; new expected date September 2018	**Status 2.27.18: Not Implemented** Staff is reviewing existing administrative regulations and will develop and/or re-issue the appropriate guidance document.
1.11 Request that department management obtain payroll reports and compare financial system and payroll system expenditures for variances between salary account codes and pay codes on an ongoing basis (e.g., quarterly). If significant variances are identified, require department management to research the issue and make adjustments as necessary to ensure management has accurate information for monitoring budgets for overtime and other salary expenditures.	City Manager	Agree. The guidance document will include a request that department management compare financial system and payroll system expenditures on a quarterly basis to ensure management has accurate information regarding monitoring budgets for overtime.	December 2014; new expected date September 2018	**Status 2.27.18: Partially Implemented** This is partially addressed at a standing monthly meeting between the City Manager's Office budget unit and the Animal Care Services Manager, where recorded and budgeted use of overtime is reviewed. Further, the document discussed in Finding 1.10 will include the recommended language formalizing the standing meeting.