

Sewerage & Water Board of New Orleans Payroll

Final Report • August 19, 2015



OIG NEW ORLEANS OFFICE OF
INSPECTOR GENERAL

E. R. Quatrevaux, Inspector General

OFFICE OF INSPECTOR GENERAL
CITY OF NEW ORLEANS



ED QUATREVAUX
INSPECTOR GENERAL

August 19, 2015

Re: Sewerage & Water Board Payroll

I certify that the inspector general personnel assigned to this project are free of personal or other external impairments to independence.

A handwritten signature in blue ink, appearing to read "E.R. Quatrevaux", located to the left of the printed name.

E.R. Quatrevaux
Inspector General

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EXECUTIVE SUMMARY

The Office of Inspector General (OIG) conducted a performance audit of the payroll internal controls of the Sewerage and Water Board of New Orleans (S&WB) for the period January 1, 2013 through December 31, 2013.

S&WB management and employees cooperated with the OIG staff during the performance audit. S&WB management acknowledged the findings documented in this report and was forthcoming in helping to identify causes for the findings. Management acknowledged its responsibility to implement and monitor internal controls for overtime authorization and budgeting and asserted that they are in the process of developing these controls.

Rules of the Civil Service Commission for the City of New Orleans (Civil Service Rules) limit employees to 416 hours of overtime per year. Civil Service Rules also prohibit standby pay unless an employee is so restricted that they cannot effectively use their time for personal purposes. The S&WB paid approximately \$4.5 million to employees in violation of Civil Service Rules. Of the \$4.5 million paid, \$3.0 million was paid to employees who worked more than 416 hours of overtime per year, and \$1.5 million was paid to employees who were “on-call”.

Lack of overtime monitoring and proper budgeting controls resulted in the disbursement of \$4.5 million of unallowed overtime and standby pay. Overtime and standby pay significantly supplemented employees’ base salaries. Employees whose base salaries ranged from approximately \$40,000 - \$50,000 per year earned an additional \$60,000 - \$70,000 per year and, thus, accumulated pay in excess of \$100,000 per year.

The S&WB spent \$9.4 million on overtime pay, more than double its \$4.6 million overtime budget in 2013. S&WB employees also earned three times the amount of overtime as employees in Jefferson Parish’s Water Department (Jefferson Parish).

S&WB management should develop monitoring and budgeting controls to ensure that employees are working within the overtime limits permitted by Civil Service and within their approved budget. S&WB management should evaluate its crew size and required staffing levels to ensure that employee workloads are efficient so that employees are not required to be “on-call”.

I. OBJECTIVES, SCOPE, AND METHODOLOGY

The OIG conducted a performance audit of the S&WB internal controls over the payroll process. The objectives of this audit were to:

1. Evaluate the internal controls of the payroll process to determine if they were designed and operating effectively; and
2. Determine the cost effectiveness of the S&WB compensation payment practices for overtime and standby pay.

The scope period for the audit was January 1, 2013 through December 31, 2013. A random-based sampling methodology was used. Because the same controls were designed and applied to hourly and salaried employees, the sampling population was composed of all active hourly and salaried employees during the scope period for the audit.

To accomplish the objectives, a random sample of 88 employees, with a confidence level of 95% and a margin of error of 10%, was selected using ActiveData.¹

All year-end overtime reports were obtained and tested² for completeness, existence and accuracy for each of the 88 employees selected for testing. The exceptions noted during the testing relating to Civil Service overtime requirements were projected into the entire population.

For all additional procedures,³ one pay period was selected for each employee tested. Because all pay periods were not tested for each selected employee, the exceptions noted cannot be projected into the population.

The following procedures were performed:

1. Conducted interviews with S&WB payroll personnel to gain an understanding of the processes and controls involved in:
 - a. Payroll processing;
 - b. Overtime; and
 - c. Standby pay.
2. Obtained time sheets, payroll registers, and other supporting documentation for the sample selected and performed the following:
 - a. Recalculated the employee's earnings for accuracy;

¹ ActiveData is a data analytics tool.

² See procedure 2b.

³ See procedures 2a and 2c.

- b. Verified that overtime and standby pay were in compliance with Civil Service Rules; and
- c. Determined whether time sheets were properly completed and approved in accordance with S&WB policies.

Civil Service Rules and S&WB policies governing employee compensation provided criteria for this performance audit.

Computer-processed data was provided and relied upon. A formal reliability assessment of the computer-processed data was not performed. Hard copy documents reviewed supported the information contained in the computer-processed data.

We conducted this performance audit in accordance with generally accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.⁴ This audit was also conducted in accordance with the *Principles and Standards for Offices of Inspector General*.⁵

Observations are deficiencies in internal controls; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse, which were not significant to the objectives of the engagement but warranted the attention of the S&WB. Auditors noted six observations during the course of this audit. In accordance with GAGAS⁶ those observations were communicated to the S&WB in a written letter dated June 17, 2015.

The authority to perform this audit is established in La. R.S. 33:9613 and in City Code Sec. §2-1120 of the City of New Orleans.

⁴ *Government Auditing Standards, Chapter 7.30*; U.S. Government Accountability Office, 2011 Revision.

⁵ Published by the Association of Inspectors General, May 2004 Revision.

⁶ *Government Auditing Standards, Chapter 7.19*; U.S. Government Accountability Office, 2011 Revision.

II. INTRODUCTION

The S&WB's primary purpose is to provide the City of New Orleans (City) with adequate drainage, sewerage collection, and drinking water. La. R.S. 33:4071 gives the S&WB the responsibility to construct, control, maintain, and operate the public water, sewerage and public drainage system in Orleans Parish.

The S&WB established a mission to provide safe drinking water; to remove waste water for safe return to the environment; to drain away storm water; to provide water for fire protection; to provide information about products and services; and to do all of this continuously at a reasonable cost to the community.

The powers, duties and functions of the S&WB are provided by applicable state⁷ and municipal laws.⁸ The S&WB has the authority to establish the water and sewerage rates to charge its customers.

On January 1, 2013, sewer and water rates increased 10% and will increase 10% each year until the year 2020. These rate increases are funded by taxpayers and are expected to generate an additional \$583 million in revenue by 2020.⁹ The additional revenues will be used to repair the aging infrastructure and to fund the S&WB day-to-day operations.

For the year ended December 31, 2013, the S&WB had an operating loss of approximately \$39.6 million, but as a result of capital contributions and other non-operating revenues had a positive change in the entity's net position¹⁰ by \$153.7 million.¹¹ As of December 31, 2013, the S&WB had a positive net position of \$1.8 billion. Refer to Figure 1.

⁷ La. R.S. 33:4071 et seq.

⁸ Home Rule Charter of the City of New Orleans, Section 5-302.

⁹ "Sewerage Board details plan to double bills over 8 years", BGR. January 2014.

¹⁰ The difference between assets and liabilities.

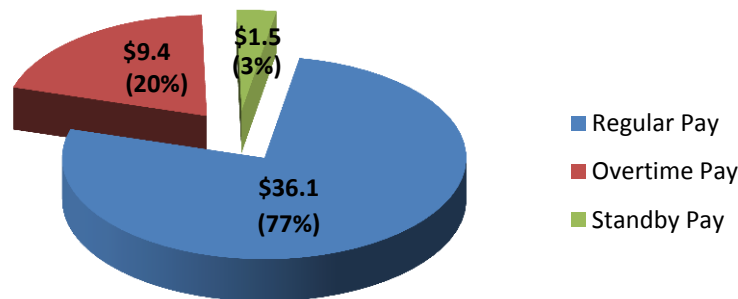
¹¹ Sewerage and Water Board of New Orleans, Louisiana Comprehensive Annual Financial Report For the Year Ended December 31, 2013 (Introductory Section). www.swbno.org.

Figure 1. S&WB Revenues, Expenses, and Change in Net Position for the Year Ended December 31, 2013¹²

Description	Amount
Total Operating Revenues ¹³	\$148,696,798
Less: Operating Expenses	\$188,341,071
Equals: Operating Loss	(\$39,644,273)
Add: Total Non-Operating Revenues ¹⁴	\$79,047,577
Add: Capital Contributions ¹⁵	\$114,317,636
Equals: Change in Net Position	\$153,720,940
Add: Net Position, beginning of year	\$1,662,411,674
Equals: Net Position, end of year	\$1,816,132,614

In 2013, payroll expense totaled \$47.0 million, and approximately \$10.9 million, or 23% of the payroll expense consisted of overtime and standby pay. Refer to Figure 2.

Figure 2. Total Payroll in 2013 (in millions)



The S&WB was staffed by 1,025 employees during 2013. Seven-hundred eighty-one employees earned overtime pay and 330 employees earned standby pay during 2013. Two hundred ninety-eight employees earned overtime and standby pay, and thirty-two employees received standby pay without earning any overtime. Refer to Figure 3.

¹² Sewerage and Water Board of New Orleans, Louisiana Comprehensive Annual Financial Report For the Year Ended December 31, 2013.

¹³ Total operating revenues consisted of \$143.6 million in Charges for Services and \$5.1 million in Other Operating Revenues.

¹⁴ Total non-Operating Revenues consisted of \$46.5 million in Property Taxes, \$30.1 million in Forgiveness of Community Disaster Loan, \$2.1 million in Operating and Maintenance Grants, \$494,106 in Other Taxes, and -\$17,719 in Investment Expenses.

¹⁵ Capital Contributions primarily consisted of \$60.7 million of capital additions reimbursable under the FEMA Disaster Public Assistance Grant and \$37.5 million of capital contributions by the Army Corps of Engineers.

Figure 3. Total Overtime and Standby Pay in 2013

Pay Category	# Employees	Total Paid Amount
Overtime pay	781	\$9.4 million
Standby pay	330	\$1.5 million
Total		\$10.9 million

S&WB ORGANIZATIONAL STRUCTURE

The S&WB consists of:

- The Mayor of New Orleans,
- Two members of the Board of Liquidation City Debt (appointed by the mayor), and
- Eight citizens appointed by the mayor with the consent of the New Orleans City Council.

The initial terms of office are staggered from one year to four years and board members cannot serve more than two consecutive terms in office.¹⁶

The S&WB is shown as a Discretely Presented Component Unit¹⁷ on the City's annual audited financial statements.

CIVIL SERVICE RULES AND REGULATIONS

The S&WB is subject to the administration of the Civil Service Commission of the City of New Orleans (Civil Service). Employees are subject to Civil Service Rules, as established by the Louisiana Supreme Court,¹⁸ including those for compensation, overtime, and standby pay.

PAYROLL AND OVERTIME APPROVAL PROCESS

Time sheets are completed weekly and signed by all S&WB personnel. The time sheets are completed by the employee and approved by the supervisor for all S&WB employees. The time sheets list the number of hours worked and the associated pay codes (i.e. regular time, overtime, standby, etc.).

Department heads are required to give advance approval for overtime by completing an Overtime Authorization Form. Overtime can only be authorized when it is not possible to adjust staffing patterns and/or employees' work schedules to provide essential services.¹⁹

¹⁶ La. R.S. 33:4071.

¹⁷ Component units are government activities, organizations or functions for which the City is financially accountable, or the relationship to the City is such that exclusion would cause the City's financial statements to be misleading or incomplete.

¹⁸ *Sewerage & Water Bd. of New Orleans v. Civil Serv. Com'n of City of New Orleans*, 496 So. 2d 1019 (La. 1986).

¹⁹ S&WB Policy Memorandum No. 91, *Overtime/On-call Pay/Holiday Pay*, August 10, 1994.

Once the Payroll Department receives the completed and approved time sheets, the time sheets are organized by organization code and then by sequential order to determine if any time sheets are missing. The Payroll Department recalculates the hours on each time sheet and verifies that each employee's overtime and standby pay are calculated correctly.

The data entry clerk then inputs the time sheet information into the S&WB's payroll system.²⁰ Payroll is processed weekly and biweekly depending on the employee group. A Payroll Summary Sheet and Fund Transfer Form are prepared weekly and sent to the Accounting Department. The Fund Transfer Form authorizes the withdrawal of funds from the S&WB bank accounts as well as the transfer of funds to the payroll imprest bank accounts.

²⁰ Governmental Human Resource System (GHR).

III. OVERTIME PAY – CIVIL SERVICE VIOLATIONS

In 2013, the S&WB paid a total of \$9.4 million in overtime pay. Overtime is work provided by an employee that exceeds the required number of work hours in ordinary employment. Overtime consists of “straight time” and “premium time.” “Overtime straight time is all hours worked in excess of a regularly scheduled work week and above 35 hours, but not exceeding 40 hours.”²¹ Employees are paid at their regular hourly rate for any “straight time” worked.²² “Overtime Premium Time are all hours worked in excess of 40 hours per week.”²³ Employees are paid at one-and-a-half times their hourly rate for any “premium time” worked.

FINDING 1. APPROXIMATELY \$3.0 MILLION OF OVERTIME WAS PAID TO EMPLOYEES IN VIOLATION OF CIVIL SERVICE RULES.

The S&WB violated the following two Civil Service Rules:

1. Rule IV, Section 9.10 - “Under no circumstances shall an employee be permitted to work in excess of...416 hours of overtime in any calendar year....”²⁴
2. Rule IV Section 9.7(a) – “...advance approval must be obtained from the Civil Service Department if an employee is expected to exceed 8 hours of overtime in a work week, whether regularly scheduled or otherwise.”²⁵

S&WB management acknowledged that it did not agree with the Civil Service Rules, and therefore management did not follow the Civil Service Rules for overtime limits. Management asserted that it was impractical to follow these rules due to the need to provide essential services on an on-going basis, and staffing constraints did not permit compliance.

Of the 88 employees tested, overtime pay exceeded Civil Service limits by \$193,626. When that error is projected to the population, the total overtime pay exceeding Civil Service limits was \$3,016,501. Refer to Figure 4.

²¹ S&WB Policy Memorandum No. 91, *Overtime/On-call Pay/Holiday Pay*, August 10, 1994.

²² If an employee used sick or vacation time during that week, overtime “premium time” would not be earned until the employee worked 40 hours in that week.

²³ S&WB Policy Memorandum No. 91, *Overtime/On-call Pay/Holiday Pay*, August 10, 1994.

²⁴ Rules of the Civil Service Commission for the City of New Orleans, rev. March 2011.

²⁵ *Ibid.*

Figure 4. Overtime Projection

Description	Amount
(A) Dollar amount of misstatements noted in sample	\$193,626
(B) Dollar amount of total overtime pay in sample	\$604,107
(C) Population being sampled	\$9,411,388
(D) Projected misstatement [(A/B) x C]	\$3,016,501

Thirty-six of the 121 S&WB departmental units total pay consisted of more than 20% in overtime. Refer to Appendix A for a listing of the individual departmental units in which overtime exceeded 20% of total earnings.

Employees worked more than 416 hours of overtime in 2013 in violation of Civil Service Rules. Of the 88 employees tested, 21 employees (24%) worked more than 416 hours. For example, one employee earned an additional \$35,009 in overtime pay for working 1,275 overtime hours. Another employee earned an additional \$27,629 in overtime pay for working 1,136 overtime hours. These employees exceeded the 416 hour limit by 859 hours (206%) and 720 hours (173%), respectively.

Employees worked more than eight hours of overtime per week without obtaining Civil Service approval. Twenty-eight of the 88 employees (32%) selected for testing were paid for more than eight hours of overtime per week without obtaining prior approval from Civil Service. For example, one employee worked an average of 19 hours of overtime per week for 48 weeks and earned an additional \$27,213 in overtime pay for those hours. Civil Service did not pre-approve overtime for any of the 48 weeks. Another employee worked an average of 30 hours of overtime per week for 34 weeks and earned an additional \$25,453 in overtime pay for those hours. Civil Service did not pre-approve overtime for any of those 34 weeks.

RECOMMENDATION 1. THE S&WB SHOULD DEVELOP AND IMPLEMENT OVERTIME MONITORING CONTROLS TO ENSURE THAT ITS EMPLOYEES ARE WORKING WITHIN THE OVERTIME LIMITS PERMITTED BY CIVIL SERVICE. THE S&WB CAN ALSO REQUEST A WAIVER FROM CIVIL SERVICE IF IT IS NECESSARY FOR EMPLOYEES TO WORK MORE THAN THE PERMITTED OVERTIME HOURS.

IV. OVERTIME PAY – BUDGETING & MONITORING

S&WB management provided department heads with information to assist in the preparation of their departmental budgets. This information included projected labor expenses, projected benefits expenses, prior year information, year-to-date information, and current year budget information. Overtime was projected based on 90% of the current year's overtime budget instead of allowing department heads to propose overtime amounts in their departmental budgets.

FINDING 2. S&WB MANAGEMENT DID NOT BUDGET FOR AND MONITOR OVERTIME EFFECTIVELY. THE S&WB INCURRED \$9.4 MILLION IN OVERTIME PAY AND EXCEEDED ITS \$4.6 MILLION OVERTIME BUDGET BY \$4.8 MILLION.

S&WB management acknowledged that it did not have adequate or meaningful controls in place to forecast or monitor overtime accurately and effectively. S&WB management developed a 2011-2020 Strategic Plan to identify its strengths and weaknesses.²⁶ One weakness identified in the Strategic Plan was insufficient documentation of work processes. S&WB management also recognized the need to implement a financial management policy for activities related to budgeting and accounting.

The absence of accurate overtime forecasts impaired management's ability to monitor actual overtime against the planned use. According to S&WB management, they were aware of the exposure to fraud, but could not effectively monitor overtime because controls were not implemented and operating effectively.

S&WB management did not know the ideal or full staffing needed to achieve its mission, despite the assertion that the overtime budget was based on full staffing. Management also acknowledged that the crew size was potentially overstaffed and should be reevaluated.

The taxpayers will fund approximately \$583 million in additional revenue as a result of the 10% rate increases through 2020. Budgeting controls and a thorough understanding of staffing needs is critical to maximize the services provided to the taxpayers and to use the additional \$583 million in funds in the most cost effective way.

S&WB management also asserted that the control environment at the S&WB is weak and employee morale is low due to budget cuts, low wages, high turnover, and years of minimal to no oversight and monitoring of employees' overtime usage. S&WB management acknowledged it did not adequately communicate or enforce the consequences of working

²⁶ The 2011-2020 Strategic Plan was adopted on February 20, 2013.

unapproved overtime or violating S&WB policies. As a result, the employees did not understand the consequences of violating overtime policies.

The S&WB violated the following policies:

1. Policy Memorandum No. 91, Chapter IV, Section III, Subsection 1 – “Department managers or their chief assistants are required to give advance approval for non-emergency overtime...Overtime shall be authorized only when it is not possible to adjust staffing patterns and/or employees work schedules to provide essential services. It shall be the responsibility of the department manager to report, the use of overtime in a timely manner, to [management]²⁷ and document justification for the overtime. The department manager shall require justification that the overtime requested is the most cost-effective and efficient method of dealing with the work load.”²⁸
2. Policy Memorandum No. 91, Chapter IV, Section III, Subsection 2 – “Overtime in an emergency situation²⁹ must be authorized by the highest ranking supervisor available...with the approval of the manager.”³⁰
3. Policy Memorandum No. 20, Chapter V, Section B, Subsection 4 – “Time sheets which are improperly filled out, unsigned, or indicate actions which are not in accordance with this policy may be returned to the Department Head by the Payroll Dept. for review, correction, and counter-signing.”³¹
4. Policy Memorandum No. 20, Chapter V, Section C – “Payroll Department is to check each time sheet received for accuracy, completeness, and proper authorizing signature.”³²

²⁷ The General Superintendent, Deputy General Superintendent, or the Deputy Director.

²⁸ S&WB Policy Memorandum No. 91, *Overtime/On-call Pay/Holiday Pay*, August 10, 1994.

²⁹ An emergency situation as defined S&WB in Policy Memorandum 91 is “(A). A natural emergency, such as a flood, hurricane, water contamination (which endangers the general public) or Board services and/or equipment, or which could not be reasonably expected. (B). A situation wherein failure of Board equipment or facilities results in disruption of essential services that cannot await remedy until regular working hours, or requires extended work beyond regular working hours to remedy. (C). Mandatory overtime in emergency situations, including but not limited to, sabotage, civil unrest, seizure of Board property, or hostage situations. (D). Administrative personnel projects of a temporary nature which require an immediate response which could not reasonably have been expected and would require overtime to complete... or other requirements deemed necessary by the Executive Director or the Deputy Director.”

³⁰ S&WB Policy Memorandum No. 91, *Overtime/On-call Pay/Holiday Pay*, August 10, 1994.

³¹ S&WB Policy Memorandum No. 20, *Attendance and Leave*, January 1, 1990.

³² *Ibid.*

Employees' detailed Overtime Authorization Forms were not pre-approved by a supervisor.

Of the employees selected for testing who incurred more than eight hours of overtime per week, 18% did not have pre-approval for overtime worked. For example, one employee selected for testing worked 1,048 hours of overtime and only 38 of those hours (4%) were pre-approved by a supervisor. In addition, those hours were incurred while reviewing contracts that were not related to an emergency. Another employee incurred 924 hours of overtime, none of which were approved.

S&WB policy required advance approval from department heads or their chief assistants for all overtime worked. Without an Overtime Authorization Form, the nature of the work performed was unknown, and department heads could not provide adequate justification for the incurred overtime. Because the overtime was not pre-approved, management may not have known if the overtime worked was the most cost-effective and efficient method of dealing with the workload. Management also could not determine if the overtime was incurred as the result of an emergency situation.

Time sheets were not properly completed by the employee. Eighteen of the 88 employees' time sheets (20%) selected for testing were not signed by the employee.

The Payroll Department was also responsible for verifying the accuracy, completeness, and proper authorizing approval of each time sheet after the hours were worked and submitted to the Payroll Department. Any time sheet that was not properly completed should have been returned to the department head.³³ However, the Payroll Department did not return incomplete time sheets to the department head.

Although policies are in place, S&WB management acknowledged they did not adequately communicate to employees their responsibilities for accurately reporting their time and properly approving and reviewing submitted time sheets. Employees, therefore, may not have known what was required of them.

³³ Ibid.

RECOMMENDATION 2. OVERTIME BUDGETING AND MONITORING CONTROLS SHOULD BE DESIGNED AND IMPLEMENTED. WORK SCHEDULES AND CREW SIZES SHOULD BE ANALYZED, MONITORED, AND ADJUSTED TO PROVIDE AN EFFICIENT USE OF RESOURCES AND TO ALLOW FOR ACCURATE BUDGETING. MANAGEMENT SHOULD COMMUNICATE PROCEDURE EXPECTATIONS AND CONSEQUENCES OF VIOLATING S&WB POLICIES TO ITS EMPLOYEES.

Managers and department heads should collaborate and reevaluate their staffing plans to ensure that employee workloads are efficient and allow for more work to be performed and paid as straight-time instead of overtime. Understanding the optimal workforce and staffing assignments will also allow management to budget and forecast overtime accurately.

Management should compile and review a plan of projected overtime usage each month. Best practices provide that, "...every government [should] consider forecasting procedures that would result in more accurate expenditure projections, especially as they relate to personnel...[and] provide governments with the areas in which they should consider adopting practices to more effectively budget salary and wages..."³⁴

Management should also communicate to supervisors that they are required to preapprove overtime. If supervisors are aware that their employees are requesting overtime, the supervisor has the opportunity to make staffing adjustments to minimize overtime. Management should emphasize that employees are required to sign their timesheets and that non-compliance will result in disciplinary actions.

³⁴ *Government Finance Officers Association's Best Practice. Effective Budgeting of Salary and Wages*, March 2010.

V. STANDBY PAY

Standby pay is special compensation paid to S&WB employees who are required to be available to be called back (i.e. “on-call”) to a job site to perform duties.

To determine if “on-call” hours constitutes hours worked, the United States Department of Labor determined that “an employee who is required to remain on-call on the employer’s premises or so close thereto that he cannot use the time effectively for his own purposes is working while “on-call”. An employee who is not required to remain on the employer’s premises but is merely required to leave word at his home or with company officials where he may be reached is not working while on-call.”^{35,36}

Employees designated by their supervisors as being on “on-call” were compensated at a rate of one hour of pay for every eight hours the employee was “on-call”.³⁷ Employees called to work were paid overtime or straight time, depending on the hours worked during the pay period, and would then forfeit the one hour of standby pay for that eight-hour period. No additional standby pay was received for working a holiday, and employees on annual leave, sick leave, or leave without pay were not eligible for “on-call” status.³⁸

The S&WB had 1,025 employees in 2013, and 330 of those employees earned standby pay. Thirty-two employees earned standby pay, but never earned overtime. The auditors questioned why these employees needed to be “on-call”. The ten employees who earned the most standby pay collected between \$21,862 and \$26,502 in 2013. Refer to Figure 5.

³⁵ 29 C.F.R. §785.17

³⁶ (*Armour & Co. v. Wantock*, 323 U.S. 126 (1944); *Handler v. Thrasher*, 191 F.2d 120 (CA 10, 1951); *Walling v. Bank of Waynesboro, Georgia*, 61 F. Supp. 384 (S.D. Ga. 1945))

³⁷ S&WB Policy Memorandum No. 91, *Overtime/On-call Pay/Holiday Pay*, August 10, 1994.

³⁸ *Ibid.*

Figure 5. Top Ten Employees³⁹ Who Earned the Most Standby Pay in 2013

Emp	Title	Type of Pay			Total Pay (A)+(B)+(C)
		Regular (A)	Overtime (B)	Standby (C)	
1	Power Dispatcher 4	\$68,498	\$29,493	\$26,502	\$124,493
2	Drainage & Sewerage Pump Supervisor	\$63,960	\$15,282	\$24,108	\$103,350
3	Power Dispatcher 4	\$60,872	\$4,548	\$23,350	\$88,770
4	Utilities Maintenance Master Supervisor	\$60,860	\$23,915	\$23,233	\$108,008
5	Steam Plant Engineer 3	\$60,032	\$22,988	\$22,910	\$105,930
6	Utilities Maintenance Master Supervisor	\$57,910	\$12,341	\$22,383	\$92,634
7	Pumping Stations Supervisor	\$57,659	\$18,763	\$22,105	\$98,527
8	Utilities Maintenance Master Supervisor	\$58,007	\$18,868	\$22,049	\$98,924
9	Utilities Maintenance Master Supervisor	\$59,680	\$19,246	\$21,919	\$100,845
10	Utilities Maintenance Master Supervisor	\$59,366	\$15,156	\$21,862	\$96,384

FINDING 3. S&WB EMPLOYEES RECEIVED STANDBY PAY OF APPROXIMATELY \$1.5 MILLION IN 2013 IN VIOLATION OF CIVIL SERVICE RULES AND THE LOUISIANA CONSTITUTIONAL PROHIBITION ON THE DONATION OF PUBLIC FUNDS.

Twenty-six of the 88 employees selected for testing (30%) received standby pay in 2013. One employee earned \$20,492 in standby pay; however, the employee was never called to work and received no overtime in 2013 bringing to question whether the employee needed to be on “on-call”.

The S&WB violated the following:

1. Rule IV, Section 9.6 of the Civil Service Rules – “Non-exempt employees who are required to be ‘on call’ are not eligible for additional monetary compensation, if such employees have the freedom to go from place to place to pursue their own interests by either leaving a telephone number where they can be reached or being able to be reached via radio....”

³⁹ The employees in this listing were included in the population and may not be part of the items tested.

The S&WB management did not have a waiver to the standby pay rule, but it believed that this policy did not apply to the services provided by the entity. The S&WB continued to pay “on-call” employees despite the fact that standby pay was expressly prohibited per Civil Service Rules.

2. La. Constitution Article VII, § 14 – “...funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.”⁴⁰

In June of 2015, the Louisiana Attorney General released Opinion 15-0048 opining that employees can be paid for “on-call time, regardless of whether the employees are actually called out for work, provided that such on-call time is compensable because the employees are so restricted that they cannot effectively use the time for personal purposes. On the contrary, if the on-call time is not compensable because the employees are able to use the on-call time for personal purposes, such payments will be unlawful as they constitute a prohibited donation of public funds.” Refer to Appendix B for entire Attorney General Opinion.

There was no evidence that the sample of 26 employees who earned standby pay were so restricted that they could not use their time for personal purposes.

Employees earned standby pay while also earning overtime or sick/annual leave. Two of the employees selected for testing earned 55 hours of overtime pay while simultaneously earning standby pay for those hours (i.e. paid twice). In addition, one employee tested earned 3.5 hours of sick leave, 3.5 hours of annual leave, and standby pay for 16 hours that day on that same day in violation of S&WB policy.⁴¹ Management acknowledged that controls were not operating effectively to detect the policy violations.

RECOMMENDATION 3. STANDBY PAY SHOULD BE DISCONTINUED.

S&WB should discontinue the use of standby pay in accordance with Civil Service Rules. Although the Louisiana Constitution permits standby pay in limited circumstances, the S&WB did not restrict their employees’ time to the extent that it could not be used for personal purposes. S&WB management and department heads should collaborate and reevaluate their staffing plans to ensure that employee workloads are efficient so that employees are not required to be “on-call”.

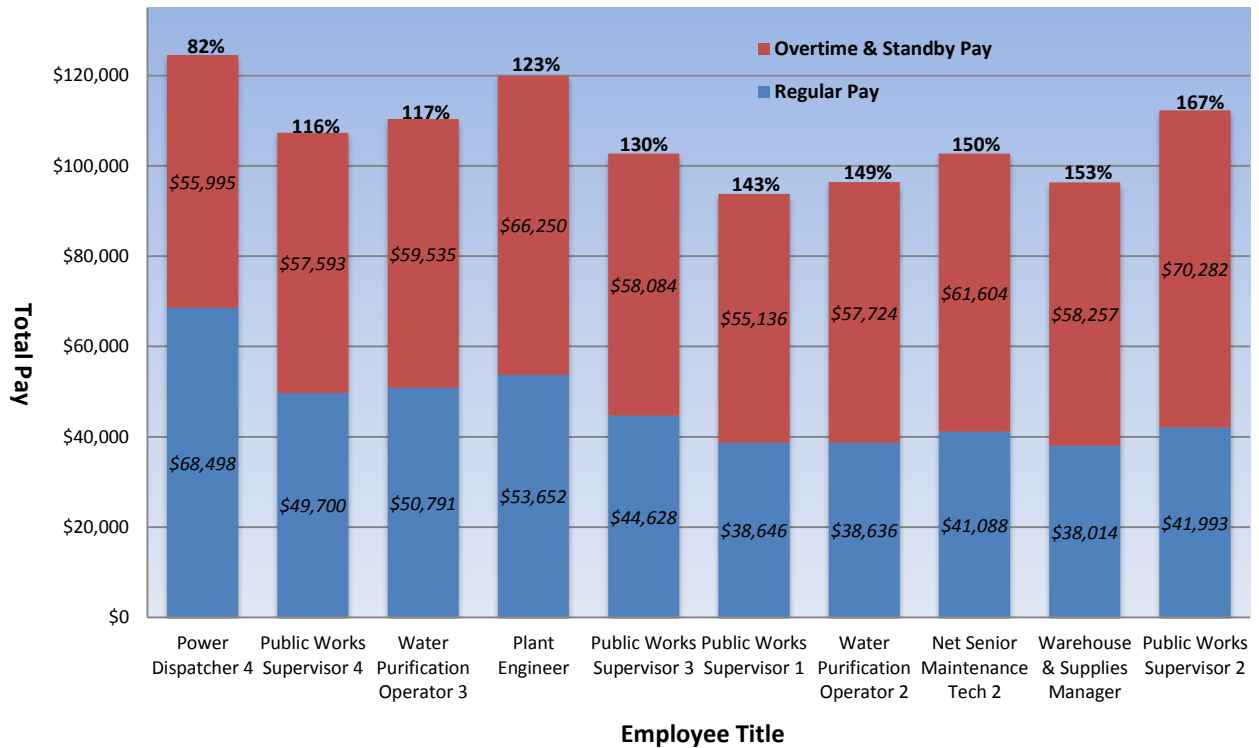
⁴⁰ La. Constitution Article VII, § 14.

⁴¹ S&WB Policy Memorandum No. 91, *Overtime/On-call Pay/Holiday Pay*, August 10, 1994.

VI. ADDITIONAL ANALYSIS

Overtime and standby pay significantly supplemented employees' base salaries. The top 10 employees who earned the most overtime and standby pay in 2013 received between 82% and 167% of their base salary. Refer to Figure 6.

Figure 6. Top Ten S&WB Employees Who Earned the Most Overtime/Standby Pay as a Percentage of Regular Pay in 2013⁴²



The auditors also noted that five employees in the sample worked or were “on-call” between 19.3 to 26.5 hours per day. Employee 1 either worked or was “on-call” 26.5 hours per day, every day during 2013. Four employees either worked or were “on-call” 19 hours or more per day, every day during 2013. Employee 3 earned \$20,492 for being “on-call” for 6,504 hours; however, he was never called in to work nor did he receive any overtime pay. The auditors questioned why this employee was “on-call”. Refer to Figure 7.

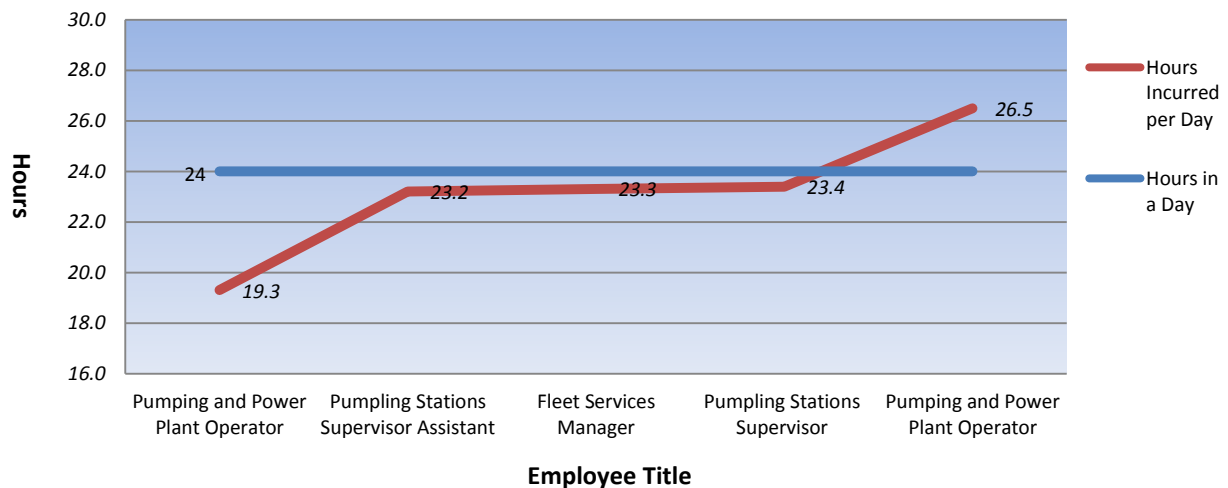
⁴² The employees in this table were included in the population subjected to sampling and may not be part of the items tested.

Figure 7. Top Five S&WB Employees Who Incurred the Most Total Hours

Emp	Regular Hours (A)	Overtime Hours (B)	“On-Call” Hours (C)	Total Hours (A)+(B)+(C)	Average Hours per day *7 Days a Week, 52 Weeks per Year ((C)/52)/7
1	1,956	1,275	6,432	9,663	26.5 hours per day
2	1,860	390	6,256	8,506	23.4 hours per day
3	1,976	0	6,504	8,480	23.3 hours per day
4	1,830	433	6,176	8,439	23.2 hours per day
5	1,960	1,000	4,072	7,032	19.3 hours per day

Not only was it impossible to work or to be “on-call” 26.5 hours per day, every day, but it was also unrealistic for employees to work or to be “on-call” 19-24 hours per day, every day, during 2013. Refer to Figure 8.

Figure 8. Top Five S&WB Employees Who Incurred the Most Hours per Day



The auditors also compared the total overtime earned at the S&WB and at Jefferson Parish. The S&WB paid out an average of \$9,182 in overtime for each person employed at the S&WB. Jefferson Parish paid out an average of \$3,125 in overtime for each person employed. S&WB overtime pay was 294% greater per employee, despite having 277 more employees than Jefferson Parish. Refer to Figure 9.

Figure 9. Jefferson Parish Water Department Overtime Comparison

2013	NOLA S&WB (A)	JP Water Department⁴³ (B)	Difference (A) – (B)	% Higher (A)/(B)
Total Overtime Pay (C)	\$9,411,388	\$2,337,496	\$7,073,892	403%
Total # of Employees (D)	1,025	748	277	137%
Avg. OVT. Per Employee (C)/(D)	\$9,182	\$3,125	\$6,057	294%

⁴³ **Source:** "Exempt Employees Overtime Audit" (2013-0003); Jefferson Parish Office of Inspector General. Financial and Compliance Audit issued on 04/15/2015.

VII. CONCLUSION

Lack of adequate monitoring and meaningful budgeting, and a disregard of Civil Service Rules resulted in additional payroll expenses of \$4.5 million for overtime and standby pay in 2013.⁴⁴ The S&WB paid approximately \$3.0 million to employees who worked more than 416 hours of overtime per year, in violation of Civil Service Rules. Employees either worked or were on “on-call” for excessive hours. In one situation, an employee worked or was “on-call” for an impossible 26.5 hours per day, every day during 2013. In other situations, employees incurred 19-24 hours per day, every day during the year.

Standby pay should be discontinued. S&WB management spent \$1.5 million in 2013 to pay employees to be “on-call”. Thirty-two employees earned standby pay, but they earned no overtime for the year, bringing into question the necessity for those employees to be “on-call”. Employees were not so restricted that they could not effectively use their time for personal purposes. Employees were able to conduct personal business, such as running errands and even sleeping. Under these circumstances, standby pay was a violation of Civil Service Rules and the Louisiana Constitutional prohibition on the donation of public funds. Instead of employees earning standby pay, S&WB management should reevaluate their staffing plans to ensure that employee workloads are efficient so that employees are not required to be “on-call”.

Management did not adequately communicate to employees their responsibilities for accurately reporting and properly reviewing time. Therefore, employees did not understand the consequences or have any repercussions for violating S&WB policies. Although the S&WB designed some internal controls, those controls were not implemented or operating effectively.

The lack of oversight and the violation of policies provided the opportunity for fraud, waste, and abuse of payroll within the S&WB. Given operating expenses of approximately \$188 million per year and the additional \$583 million in taxpayer funding from rate increases, it is essential that the S&WB establish internal controls to monitor its spending on payroll and to use its resources in the most cost effective way. Effectively designed and implemented internal controls will help management achieve its mission to provide services and information to the taxpayers at a reasonable cost.

⁴⁴ \$3,016,501 and \$1,495,397 in overtime and standby pay, respectively.

**APPENDIX A. DEPARTMENTAL UNITS WITH OVERTIME EXCEEDING 20% OF
TOTAL PAY⁴⁵**

	Department	# of Employees	Total Earnings	Overtime Pay	% of OVT to Total Pay
1	Sycamore Filters	9	\$ 523,624	\$ 234,647	45%
2	Filters #2	5	\$ 306,960	\$ 127,186	41%
3	Warehouse & Grounds	17	\$ 898,982	\$ 365,912	41%
4	Claiborne Filters	2	\$ 105,661	\$ 41,917	40%
5	Admin Building-St. Charles	3	\$ 239,668	\$ 94,224	39%
6	Zone Seven	47	\$ 2,348,422	\$ 920,089	39%
7	Zone Five	34	\$ 1,555,507	\$ 604,072	39%
8	Field Service Center	18	\$ 858,721	\$ 328,163	38%
9	Old City	33	\$ 1,279,407	\$ 465,585	36%
10	Unmanned Drain. Stations	9	\$ 587,596	\$ 213,773	36%
11	Maintenance-Sycamore	6	\$ 309,970	\$ 112,148	36%
12	Chemical House	7	\$ 364,116	\$ 129,583	36%
13	Zone Four	41	\$ 1,782,653	\$ 632,602	35%
14	Maintenance-Claiborne	3	\$ 170,220	\$ 58,721	34%
15	Zone One	37	\$ 1,734,413	\$ 588,389	34%
16	Building Maintenance	8	\$ 471,581	\$ 154,620	33%
17	Unmanned DPS Maint.	3	\$ 161,789	\$ 52,156	32%
18	Zone Six	32	\$ 1,003,929	\$ 317,174	32%
19	Satellite Garage	5	\$ 390,735	\$ 121,836	31%
20	Intake Maint.-River Station	3	\$ 165,153	\$ 51,486	31%
21	Maint. and Relief-AWP	5	\$ 255,681	\$ 78,248	31%
22	Engineering Field Inspect.	7	\$ 339,601	\$ 99,800	29%
23	DPS Maint.-Employees	5	\$ 203,525	\$ 59,087	29%
24	Zone Three	41	\$ 1,354,564	\$ 392,461	29%
25	Shift Empl-RVR Intake Stats	4	\$ 154,885	\$ 43,384	28%
26	Grounds Maintenance	13	\$ 665,534	\$ 184,084	28%
27	Algiers-Supervisors	2	\$ 163,538	\$ 44,249	27%
28	House Connections	4	\$ 167,665	\$ 42,838	26%
29	Algiers Drain. Operations	4	\$ 203,625	\$ 50,913	25%
30	Plant Maintenance	4	\$ 122,285	\$ 30,496	25%
31	Station #11	4	\$ 200,969	\$ 49,460	25%
32	Station C	8	\$ 317,064	\$ 77,073	24%
33	Head House	3	\$ 83,477	\$ 19,690	24%
34	Central Control	10	\$ 534,107	\$ 125,393	23%
35	Meter Reading & Invest.	60	\$ 2,136,518	\$ 481,720	23%
36	Central Yard Garage	16	\$ 933,559	\$ 191,742	21%

⁴⁵ Twenty percent was used because the maximum overtime allowed is 8 hours per week (8 hours / 40 hours = 20%).

APPENDIX B. ATTORNEY GENERAL OPINION 15-0048

June 16, 2015
OPINION 15-0048

90-A POLITICAL SUBDIVISIONS- Officers, Agents &
Employees

29 C.F.R. §785.17

The City of Denham Springs is permitted to pay its on-call employees for their on-call time, regardless of whether they are actually called out for work, provided that the conditions are sufficiently restrictive such that the employees cannot effectively use the time for personal purposes. On the contrary, if the on-call time is not compensable because the employees are able to use the on-call time for personal purposes, such payments will be unlawful as they constitute a prohibited donation of public funds. Further, once the City's employees have exceeded 40 hours per week, both on-call and call in work should be paid at an overtime rate.

Mayor Gerard Landry
City of Denham Springs
P.O. Box 1629
Denham Springs, LA 70727

Dear Mayor Landry:

You have requested an Attorney General's opinion concerning employment issues in the City of Denham Springs. Specifically, you state that, in addition to their regular salary, the City pays its on-call employees time and one half, after 40 hours worked, just for being on-call, as follows: Monday 1 hr.; Tuesday 1 hr.; Wednesday 1 hr.; Thursday 1 hr.; Friday 2 hrs.; Saturday 2 hrs.; Sunday 2 hrs.; and Holidays 2 hrs. On-call employees are paid regardless of whether they are actually called in to perform any work for the City. In addition, when these employees are called in for work, and after they have exceeded 40 hours per week, the City pays them overtime for every extra hour worked.

You pose a number of questions which will be answered in the order they were presented:

1. Is it legal for the City to pay on-call employees when they are not called out for work?

As an initial matter, we note that this type of work arrangement of paying on-call employees a base salary, on-call time and actual call in work is not uncommon.¹

¹ See *Seal v. Bogalusa Cmty. Med. Ctr.*, 1999-0146 (La. App. 1 Cir. 2/18/00), 764 So. 2d 968, 969 (La. Ct. App.) *writ denied*, 2000-0818 (La. 5/12/00), 762 So. 2d 15 (noting that an on-call employee, an x-ray technician, received \$1.25 per hour while on-call, received one hour's straight pay once called back to work, and, upon arrival at the hospital, went on the clock at one and one half times his hourly rate of pay.)

Whether time spent on-call is compensable is a question of fact decided in the context of each case.² Because this office does not serve as a fact finder we address your inquiry by describing the law applicable to on-call employees in general:

The United States Department of Labor (DOL) has opined that whether on-call time constitutes hours worked depends upon the employee's ability to use the on-call time for his or her own purposes.³ 29 C.F.R. §785.17 reads:

An employee who is required to remain on-call on the employer's premises or so close thereto that he cannot use the time effectively for his own purposes is working while "on-call". An employee who is not required to remain on the employer's premises but is merely required to leave word at his home or with company officials where he may be reached is not working while on-call. (*Armour & Co. v. Wantock*, 323 U.S. 126 (1944); *Handler v. Thrasher*, 191 F. 2d 120 (C.A. 10, 1951); *Walling v. Bank of Waynesboro, Georgia*, 61 F. Supp. 384 (S.D. Ga. 1945))

Among the factors to determine whether on-call time is compensable are: the excessive geographical limitations on an employee's movements, whether the frequency of calls received or a fixed time limit for response is unduly restrictive, whether the employee could easily trade on-call responsibilities, whether use of a pager [or cell phone] could ease restrictions, and whether the on-call policy is based on an agreement between the parties.⁴ This list is illustrative, not exhaustive, and no one factor is dispositive.⁵

For example, in Opinion FLSA2008-8NA, the DOL stated that on-call time of ambulance service employees' was compensable during the winter season; however, for non-winter seasons, the on-call time was not compensable. The DOL based its conclusion on the following combination of factors applicable to the winter season:

the extremely short in-person response time, which precludes the effective use of the on-call time for all but the narrowest range of personal purposes, all of which must take place within a restricted geographic area to allow for such a rapid response; the high number of call-ins (requiring one response every four hours); the apparent impossibility of trading on-call responsibilities because both employees are on-call five days per week; and the inability to turn down any of the call-ins. Given the very short in-person response time, the employees' use of a pager provides only limited relief.⁶

² USDOL, Wage & Hour Division, Opinion FLSA2008-14NA.

³ USDOL, Wage & Hour Division, Opinion FLSA2009-17, *supra*.

⁴ USDOL, Wage & Hour Division, Opinion FLSA2008-14NA (citations omitted).

⁵ *Id.*

⁶ USDOL, Wage & Hour Division, Opinion FLSA2008-8NA.

The DOL, observed that if the frequency of calls in the non-winter months were to increase or if the frequency of calls in winter months were to decrease, the conclusion that the employees are able or unable to use the on-call time for their own purposes would need to be reevaluated.⁷ The DOL explained that while the Fair Labor Standards Act (FLSA) provides for many labor standards, it does not require employers to pay for the inconvenience of being on-call if such periods are not otherwise compensable.⁸

According to your request, the City has the practice of paying its employees for on-call time at the one and one half rate, after 40 hours of actual hours worked. This on-call time is paid regardless of whether the employees are actually called in to work. Further, you provided our office with the City's Memorandum dated January 28, 2004 showing that this work arrangement applies across the board to several departments within the City.

Whether on-call time constitutes compensable time depends upon whether the conditions are so restrictive or the calls are so frequent that the City's employees cannot effectively use the time for personal purposes.⁹

Therefore, it is the opinion of this office that the City is permitted to pay its on-call employees on-call time, regardless of whether the employees are actually called out for work, provided that such on-call time is compensable because the employees are so restricted that they cannot effectively use the time for personal purposes. On the contrary, if the on-call time is not compensable because the employees are able to use the on-call time for personal purposes, such payments will be unlawful as they constitute a prohibited donation of public funds.¹⁰

2. If the payment is lawful, are there any requirements as to the amount that hours be paid and how they should be paid?

In La. Atty. Gen. Op. No. 87-307, this office opined that a municipality such as the City is not exempt from the minimum wage and overtime requirements of the FLSA. Further, "the compensation may cover both waiting and task, or only performance of the task itself.... The law does not impose an arrangement upon the parties."¹¹ Thus, the City is free to establish the number of hours that it will pay for on-call time, provided that such hours constitute actual on-call work. The payment amount should be in agreement with the FLSA's requirements¹² and any change to the City's policies will affect its employees only prospectively.¹³

⁷ *Id.*

⁸ USDOL, Wage & Hour Division, Opinion FLSA2008-14NA, *supra*.

⁹ USDOL, Wage & Hour Division, Opinion FLSA2009-17, *supra*.

¹⁰ See, e.g., La. Atty. Gen. Op. Nos. 14-0199, 14-0197 and 10-0163 for a discussion of the prohibited donation of public funds described by La. Const. art. VII, § 14.

¹¹ *Skidmore v. Swift & Co.*, 323 U.S. 134, 137, 65 S.Ct. 161, 163 (1944).

¹² See *infra*.

¹³ La. Const. art. I, § 23

3. Does the on-call pay have to be overtime rate?

In general terms, the FLSA requires that employers pay their employees overtime at the rate of time and one half after 40 hours on a work week.¹⁴ Similarly, Section 74-32 of the City's Code of Ordinances states that "[o]vertime... shall be earned only when the actual hours worked exceed 40 hours per week.... calculated at one and one-half times the hourly rate...." As such, once the City's employees have exceeded 40 hours per week, the City should pay an overtime rate for both on-call time and actual time worked, and any additional time the City determines is required to be paid under the FLSA, as discussed in response to question number 1.

4. If employees are called out to work, can they be paid for the hours actually worked in addition to on-call pay?

The time spent on the actual job assignment after responding to a call must be counted as compensable hours worked.¹⁵ As noted, overtime is earned upon performing actual work after reaching 40 hours per week. Thus, it is the opinion of this office that after exceeding 40 hours per week of work, on-call employees who are called in to perform work for the City should be paid for the hours actually worked at an overtime rate.

As previously noted, this opinion provides a general discussion of the applicable law. In the event that the DOL, Wage and Hour Division, reaches a different conclusion taking into consideration the specific circumstances of the City's employees, the federal agency's opinion prevails.

We trust this adequately responds to your request. However, if our office can be of further assistance, please do not hesitate to contact us.

Yours very truly,

JAMES D. "BUDDY" CALDWELL
ATTORNEY GENERAL

By: _____
Ethel Solache Graham
Assistant Attorney General

JDC: ESG

¹⁴ 29 U.S.C. § 207(a)(1).

¹⁵ USDOL, Wage & Hour Division, Opinion FLSA2009-17, *supra*.

SYLLABUS
OPINION 15-0048

90-A POLITICAL SUBDIVISIONS- Officers, Agents & Employees

29 C.F.R. §785.17

The City of Denham Springs is permitted to pay its on-call employees for their on-call time, regardless of whether they are actually called out for work, provided that the conditions are sufficiently restrictive such that the employees cannot effectively use the time for personal purposes. On the contrary, if the on-call time is not compensable because the employees are able to use the on-call time for personal purposes, such payments will be unlawful as they constitute a prohibited donation of public funds. Further, once the City's employees have exceeded 40 hours per week, both on-call and call in work should be paid at an overtime rate.

DATE REQUESTED:

DATE RELEASED: June 16, 2015

REQUESTED BY: Mayor Gerard Landry
City of Denham Springs
P.O. Box 1629
Denham Springs, LA 70727

AUTHOR: Ethel Solache Graham
Assistant Attorney General

OFFICIAL COMMENTS FROM THE S&WB

City Ordinance section 2-1120(8)(b) provides that a person or entity who is the subject of a report shall have 30 days to submit a written explanation or rebuttal of the findings before the report is finalized, and that such timely submitted written explanation or rebuttal shall be attached to the finalized report.

An Internal Review Copy of this report was distributed on June 17, 2015 to the entities who were the subject of the performance audit in order that they would have an opportunity to comment on the report prior to the public release of this Final Report. Comments were received from the S&WB on July 17, 2015; these comments are attached.



"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21ST CENTURY"

Sewerage & Water Board OF NEW ORLEANS

MITCHELL J. LANDRIEU, President
WM. RAYMOND MANNING, President Pro-Tem

625 ST. JOSEPH STREET
NEW ORLEANS, LA 70165 • 504-529-2837 OR 52W-ATER
www.swbno.org

July 17, 2015

Ed Quatrevaux
Inspector General
City of New Orleans
525 St. Charles Avenue
New Orleans, Louisiana 70130-3049

Dear Mr. Quatrevaux:

Subject: Management's Response to Payroll Performance Audit

Please reference Payroll Performance Audit Draft Report dated June 17, 2015. Following are management's responses to the findings and recommendations contained in that report:

- Finding 1* *Approximately \$3.0 million of overtime was paid to employees in violation of Civil Service Rules.*
- Recommendation* *The S&WB should develop and implement overtime monitoring controls to ensure that their employees are working within the overtime limits permitted by Civil Service. The S&WB can also request a waiver from Civil Service if it is necessary for employees to work more than the permitted overtime hours.*
- Response* Management acknowledges the finding, agrees with the second portion of the recommendation, and intends join with other agencies that have similar round-the-clock public safety responsibilities to request a waiver from the Civil Service Commission by December 31, 2015 to permit overtime hours necessary to maintain continuous water, sewer, and drainage services. During the course of working with the Office of Inspector General during the Payroll Performance Audit, Management has already developed and implemented overtime monitoring controls to ensure that employees are working within the overtime limits necessary to maintain continuous service and meet customer expectations for public health and property protection.

Finding 2 *S&WB management did not effectively budget for and monitor overtime. The S&WB incurred \$9.4 million in overtime pay. The S&WB exceeded its \$4.6 million overtime budget by \$4.8 million.*

Recommendation *Overtime budgeting and monitoring controls should be designed and implemented. Work schedules and crew sizes should be analyzed, monitored, and adjusted to allow for accurate budgeting. Management should communicate procedure expectations and consequences of violating S&WB policies to its employees.*

Response Management acknowledges the finding, agrees with the recommendation, and will revise the 2015 Budget by September 30, 2015 to reflect anticipated overtime levels. During the course of working with the Office of Inspector General during the Payroll Performance Audit, Management has already developed and implemented overtime monitoring controls. Work schedules and crew sizes will be analyzed with consideration for adjustment by June 30, 2016. Management will communicate procedure expectations and consequences for violating S&WB policies to employees by September 30, 2015.

Finding 3 *S&WB employees received standby pay of approximately \$1.5 million in 2013. The standby pay earned was in violation of Civil Service Rules.*

Recommendation *Standby pay should be discontinued.*

Response Management acknowledges the finding, disagrees with the recommendation, and intends to request a waiver from the Civil Service Commission by December 31, 2015 to permit standby pay necessary to maintain continuous water, sewer, and drainage services.

I respectfully request that these responses be included when the Payroll Performance Audit is finalized and distributed.

Sincerely,



Cedric S. Grant
Executive Director