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Sheriff's Office Personnel Services Audit

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*Internal Audit Report Authorized by the
Maricopa County Board of Supervisors*

Report Highlights	Page
MCSO will improve procedures to ensure payroll timekeeping entries are reviewed and approved after each pay period ends.	1
MCSO will review the use of specialized assignments, which may result in annual salary savings.	2
MCSO's leave management procedures conform to the Americans with Disabilities Act. MCSO will revise procedures to ensure compliance with the Family Medical Leave Act.	3
MCSO's hiring procedures align with Arizona Peace Officer Standards and Training Board requirements. MCSO is streamlining civilian new-hire screening procedures.	6
MCSO has updated personnel transfer procedures to ensure required approvals are documented.	9
MCSO will evaluate job analysis and readiness reviews to update job classifications for sworn and detention positions.	10

Objectives

To ensure that:

- Payroll, time keeping, and personnel transfer controls comply with County and the MCSO policies.
- Procedures for updating and assigning job classifications, market ranges, and essential job duties comply with County and the MCSO policies and procedures.
- Procedures for managing Family Medical Leave Act (FMLA) and American Disabilities Act (ADA) comply with key federal laws, regulations, and County and the MCSO policies.
- New hire screenings are effective, efficient, and performed in accordance with County and the MCSO policies.

Scope

Our scope included the following Personnel Services and Pre-employment activities: (1) payroll, (2) employee leave, (3) recruiting and hiring, and (4) job classifications. In general, our work covered activities from FY 2016 to FY 2017. We reviewed federal and state laws, regulations, national standards, and County and MCSO policies. We interviewed MCSO personnel and examined records, reports, and processes.

Standards

This audit was approved by the Board of Supervisors and was conducted in conformance with International Standards for the Professional Practice of Internal Auditing. The specific areas reviewed were selected through a formal risk assessment.

Auditors

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This report is intended primarily for the information and use of the County Board of Supervisors, County leadership, and other County stakeholders. However, this report is a public record and its distribution is not limited. We have reviewed this information with Sheriff's Office management. The Action Plan was approved by Stephanie Cherny, Chief of Staff, on March, 16 2018. If you have any questions about this report, please contact Mike McGee, County Auditor, at 602-506-1585.

Audit Results

Issue #1: Payroll Accuracy

Observation: The MCSO's FY 2018 budgeted personnel expenditures of \$311 million represent over 83% of its total budget. The MCSO has approximately 3,800 employees that support its 24 hours a day - 7 days a week operations. Employees record their work time in the County's payroll and time reporting system using biometric time clocks, over-the-phone time entry, and/or through an online computer interface.

The MCSO and the County Payroll have implemented compensation policies and processes to ensure that the calculations of employee payments comply with federal law, are accurate, and based on time recorded in the payroll system. We reviewed 90 paychecks for 60 employees totaling \$221,011 and found no exceptions. The payments included 245 pay code transactions for regular, sick, vacation, overtime, and shift differential pay.

County and MCSO compensation policies assign responsibility for monitoring an employee's work activities and timekeeping to their supervisor. The County enforces direct supervisory approvals through automated controls within the payroll system. To accommodate employees working several shifts, employees covering staffing shortages at multiple locations, and personnel transfers, MCSO does not use this functionality. Approximately 680 supervisors and/or timekeepers can approve timecards for any MCSO employee. We selected 90 timecards to determine if time entries were appropriately reviewed and approved. We found the following exceptions.

- Employees did not consistently submit their timecards and notes were not entered describing the reasons, as required.
- Timekeepers did not always add required notes detailing why they approved a timesheet instead of the supervisor.
- Supervisors sometimes approved timesheets before employees finished recording their time and before the employee's approval.

Conclusion #1A: Payroll calculations tested were accurate and completed in accordance with County policy and federal law.	
Recommendation	MCSO Action Plan
None	N/A

Conclusion #1B: Supervisory time keeping review and approval procedures need improvement.	
Recommendations	MCSO Action Plan
1B-1 Work with County Payroll to obtain access to reports that would identify when supervisors pre-approve an employee's time. Review these reports as part of the timekeeping approval process.	Concur – in progress MCSO Payroll will work with County Payroll to access (and modify as necessary) these reports and will implement and document this additional control. Target Date: May 4, 2018
1B-2 Work with County Payroll to develop payroll system restrictions that would limit timecard approvals to the chain of command within an employee's reporting division.	Management accepts the risk of this issue. Due to the complexity of the MCSO reporting structures, the 24/7 working hours, and multiple rotating shifts, the proposed solution is not feasible and would still not guarantee an approver would have first-hand knowledge of the employee's work time.

Issue #2: Specialized Assignments

Observation: The MCSO uses detention and sworn personnel to fill assignments within divisions (e.g., food services, laundry, training, 911-call center) that can be filled by civilians. The MCSO's intent for filling these positions with detention and sworn personnel is to: (1) leverage operational experience in support divisions; (2) provide staff with alternatives to working in jail facilities; and (3) maintain operational coverage for hard-to-fill civilian positions. The MCSO has not established procedures to ensure that transfers to these roles (referred to as specialized assignments) are equitable and that job responsibilities correspond with the employees assigned job classification and/or market range title¹. These inequities and inconsistencies may create situations that do not align with the County's Employee and Law Enforcement Merit System Rules.

We reviewed 10 divisions that use sworn and detention personnel in specialized assignments and identified 106 detention positions, within 6 divisions², that could be filled by civilians at a lower cost. By civilianizing some of these positions, the MCSO may be able to decrease detention operational expenditures by \$1.8 million annually. Additionally, detention officer vacancies, which exceed 200, may be reduced.

¹ A title assigned to a group of positions performing similar or related duties and responsibilities.

² Central Food Services, Sheriff Information Management System, 911 Call Center, Central Services Distribution, Mailroom, Property and Evidence Warehouse.

Conclusion #2A: The MCSO's procedures for transferring detention and sworn personnel to specialized assignments need improvement.	
Recommendations	MCSO Action Plan
2A-1 Perform a review of specialized positions. If specialized positions are needed and provide an operational benefit, the MCSO should document the benefits and review any job classification inconsistencies and minimize internal inequities.	Concur – in progress MCSO HR Services will work with MCSO Command Leadership to document the operational benefits of specialized positions and will work to eliminate or minimize job classification or compensation inequities. Target Date: December 31, 2018
Conclusion #2B: The MCSO may be able to decrease operational expenditures and reduce detention officer vacancies by civilianizing some positions.	
Recommendation	MCSO Action Plan
2B-1 Consider reclassifying many of the detention officer specialized assignments to civilian positions and transferring the detention personnel into vacant jail positions.	Concur – in progress MCSO Leadership agrees with the intent of the recommendation and will allocate resources to begin this process. Full and successful implementation is outside the control of MCSO and will require support from County HR. Initial estimates project this may require hiring over 90 new civilians. Target Date: September 30, 2019

Issue #3: Compliance with the Americans with Disabilities (ADA) and Family Medical Leave (FMLA) Acts

Observation: The MCSO has established an Employee Medical Leave Division (LMS) that is responsible for processing and managing employee medical leave cases including, FMLA, ADA, short-term disability, industrial leave, modified duty, long-term disability, and military leave. During 2017, LMS managed and tracked over 1,300 FMLA and 84 ADA cases, using a highly manual process dependent on Microsoft Outlook, Excel, paper leave slips, and paper tracking forms. The decision to track FMLA and other medical leave events using a manual process rather than the County's timekeeping and payroll system is partially the result of the payroll system limitations.

ADA Compliance

The MCSO policies for managing disability accommodations conform to the ADA and County policy. We reviewed a sample of 20 ADA case files and determined that the MCSO has established adequate procedures for responding to employee requests for accommodations. Furthermore, the MCSO's procedures for performing and documenting interactions with employees aligns with requirements.

FMLA Compliance

The Family Medical Leave Act (FMLA) establishes strict timeline, documentation, and communication requirements for determining eligibility and processing FMLA cases. The MCSO has established its own leave of absence policy which conforms to federal law and County leave policies. We reviewed 39 FMLA case files and found that the MCSO appropriately determined FMLA eligibility for each case. However, the MCSO does not consistently send employee notifications (eligibility and designations) within required timelines. In addition, the FMLA tracking sheets were not consistently updated and contained calculation errors. The delays and inaccuracies can be attributed to the manual processes for managing thousands of medical leave cases each year. These delays and tracking inaccuracies could result in denying or interfering with an employee's FMLA rights.

Conclusion #3A: Policies and procedures for managing ADA events and determining FMLA eligibility conform to federal laws.	
Recommendation	MCSO Action Plan
None	N/A
Conclusion #3B: FMLA eligibility and designation notices did not always meet required timeframes.	
Recommendations	MCSO Action Plan
3B-1 Update the FMLA policy and enhance desk procedures to ensure FMLA notifications are sent according to required timelines.	Concur – in progress Completed update of MCSO Policy GC-1 Leaves and Absences on 5 January 2018. The following are in progress: Obtain Case Management System, update LMS desk procedures, activate ADP leave slips, and communicate the need that supervisors/employees must provide required documentation in a timely manner. Future implementation of ADP FMLA coding dependent on County's ability to fix system issues. Target date: January 1, 2019

Conclusion #3C: The MCSO's process for recording and tracking FMLA hours and balances needs improvement.	
Recommendations	MCSO Action Plan
3C-1 Establish a process to ensure FMLA case tracking records are complete and accurate. Consider implementing an automated case management system that will assist with documenting, processing, recording, and tracking FMLA and other medical leave cases.	<p>Concur – in progress</p> <p>MCSO LMS will create an internal audit process to ensure case tracking records are complete and accurate.</p> <p>Target Date: May 31, 2018</p> <p>An electronic case management system was previously requested and is waiting for the MCSO IT Bureau's prioritization and resource allocation.</p> <p>Target Date: December 31, 2018</p>

Issue #4: Security, Reliability and Storage of Medical Leave Information

Observation: FMLA and ADA regulations require that employee medical records be kept confidential and that access be restricted to only those that need it to perform their job responsibilities. The MCSO stores employee medical information in manual records, on network folders, and within Microsoft Outlook email and calendar accounts.

The MCSO has not implemented periodic user access reviews of shared network folders and email accounts used by the Employee Medical Leave Division. We reviewed users with system access and found two current employees who transferred from the Medical Leave Division, and one former employee, who still had access to information stored on these shared folders and accounts.

Additionally, the MCSO Personnel Services Division has provided MCSO HR supervisors unnecessary access to the ADA and FMLA medical file storage room.

We reviewed system backup configurations and found the County's Office of Enterprise Technology has configured system backups of the County email exchange and network folders to run automatically and at routine intervals. Backup tapes are also rotated offsite and access is appropriately restricted. These processes align with the National Institute of Standards and Technology's guidance and would retain critical data if there is an outage.

Conclusion #4A: Access to employee medical information is not sufficiently restricted.	
Recommendations	MCSO Action Plan
4A-1 Establish formal procedures for obtaining management approvals when granting user access to the Employee Medical Leave Management systems and network folders.	Concur – in progress The LMS Supervisor will write a desk procedure defining steps for obtaining access to Leave Management systems and folders. Target Date: April 2, 2018
4A-2 Establish procedures to conduct periodic user access reviews and promptly remove system access upon employee terminations or job changes.	Concur – in progress These procedures will also be defined in the desk procedure being developed for system access (see 4A-1 above). Target Date: April 2, 2018
4A-3 Restrict access to hard copy medical leave records to those that need it to perform their job duties.	Concur – in progress Email sent to facility maintenance staff to rekey both LMS Office and LMS file room. Target Date: April 2, 2018
Conclusion #4B: Automated backup processes have been established to preserve employee medical information stored on shared network and email folders.	
Recommendation	MCSO Action Plan
None	N/A

Issue #5: New Hire Screening Process

Observation: The MCSO Pre-employment Division is responsible for performing background checks and screenings for all new hires. From July 2015 – June 2017, the MCSO filled over 600 vacant positions. We reviewed the pre-employment file for 40 of these new hires and found that background investigations, polygraphs, psychological examinations and medical evaluations were completed in accordance with MCSO policy, state statute, and Arizona Peace Officer Standards and Training Board (AZ POST) hiring requirements. However, internal processing checklists required by the division’s operations manual and used to facilitate the hiring process were not always completed. Additionally, the Pre-employment Division outsourced the completion of background checks for some high ranking command staff positions to other law enforcement agencies. This process is allowed under AZ POST standards, however,

the MCSO's hiring policies and procedures do not address how and when background investigations should be outsourced.

Conclusion #5A: Hiring policies and procedures align with state statute and AZ POST hiring requirements and related County policies.	
Recommendation	MCSO Action Plan
None	N/A
Conclusion #5B: Internal quality control methods for tracking the new hire process are inconsistently applied.	
Recommendation	MCSO Action Plan
5B-1 Review quality control measures and implement procedures to verify that tracking sheets are completed in accordance with requirements established by the division's operating manual.	Concur – in-progress The Operations Manual will be updated to specify which tracking form(s) require completion. Administrative employees have been instructed to check the tracking forms prior to filing the files to ensure completeness. The background investigators were all given additional training to ensure this tracking form is complete and any unnecessary paperwork is removed from the file. Target Date: March 1, 2018
Conclusion #5C: Hiring procedures do not describe when pre-employment screenings and background checks can be outsourced.	
Recommendation	MCSO Action Plan
5C-1 Develop and implement formal procedures that determine when and how hiring responsibilities may be outsourced.	Concur – in process The Pre-Employment Commander will coordinate with the Sheriff and Chief Deputy to document under what circumstances hiring responsibilities may be outsourced. These circumstances will be documented in the pre-employment operations manual. Target Date: May 30, 2018

Issue #6: Hiring Metrics

According to MCSO Human Resources' management, the MCSO has difficulty attracting and hiring applicants due to the lengthy pre-employment screening process. Since the MCSO does not track and monitor hiring timeframe metrics, we analyzed a statistical sample of 336 of 2,592 applicant files that were referred by County Human Resources (County HR) to the MCSO during July 1, 2015 – June 30, 2017. For each applicant file, we reviewed the time between the different phases (e.g. background investigations, polygraphs, psychological evaluations, and hiring approval) of the screening process.

Overall, the average duration from County HR referral to the MCSO hiring approval was 79 calendar days for successful candidates. We noted that the background investigation period for civilian applicants took 60 days, which was two weeks longer than detention applicants and a month longer than deputy applicants.

We also compared civilian, sworn, and detention applicant dropout rates for each phase of the process. The phase that eliminates the highest percentage of applicants is the civilian polygraph. The polygraph, which can add several weeks to the hiring process, is a legal requirement for peace officers (e.g., deputies) but is not required for civilians and detention officers. Its use for all civilian hires, combined with more stringent disqualifying screening factors, can make it more difficult for MCSO to compete with other civilian employers.

Conclusion #6A: The MCSO does not track and monitor new hire timeframe metrics.	
Recommendation	MCSO Action Plan
6A-1 Consider implementing a tracking system for pre-employment statistics and perform routine reviews to better assess MCSO needs.	Concur – will implement with modifications Pre-Employment Services has been tracking background processing statistics for some time, but we agree the tracking can be more robust and will develop and implement a formal tracking mechanism. Target Date: June 30, 2018

Conclusion #6B: The MCSO may be able to expedite their hiring process by removing the polygraph requirement for some civilian positions.	
Recommendation	MCSO Action Plan
6B-1 To reduce hiring timeframes and better compete with other civilian employers, re-evaluate the civilian hiring process, including the merits of civilian polygraph examinations.	<p>Concur – in progress</p> <p>This was an initiative that was identified by MCSO last year and we are making progress towards implementation. We have already discussed and agreed to use the County HR’s vendor for civilian background screenings. County HR is in the process of selecting a new employment verification vendor, so we will delay our implementation until County HR has finalized their selection.</p> <p>Target Date: July 31, 2018</p>

Issue #7: Funding Sources and Personnel Transfers

For 60 MCSO employees we compared payroll accounting strings with personnel transfer forms to determine that funding sources were accurately updated within the payroll system. We found the funding source matched the employee’s assigned location. However, MCSO was missing five personnel transfer forms. The required forms document upper management’s approval and ensure appropriate steps are taken when transfers involve restricted funding sources.

We also selected a separate sample of 40 MCSO employees that had been transferred or promoted and confirmed that their funding sources were approved and updated timely within the payroll system. The Personnel Services Division retained all required documents to support these transfers; however, some contained clerical errors.

Conclusion #7A: Transfer forms documenting management approval were not always retained.	
Recommendation	MCSO Action Plan
7A-1 Enhance procedures to ensure documents showing approvals are retained according to retention standards.	<p>Concur – Completed</p> <p>New Transfer form has been created and is currently being utilized.</p> <p>Target Date: March 1, 2018</p>

Issue #8: Job Classification and Physical Readiness Reviews

Observation: The MCSO reviews and updates job descriptions and classifications for civilian positions prior to opening a position for recruitment. However, procedures have not been established to routinely conduct job analysis and classification reviews for detention and sworn job positions. As a result, the essential functions, job requirements, assessments (hiring and promotional), and physical readiness standards for detention and sworn personnel have not been fully updated in several decades. Physical readiness and job classification reviews for detention personnel were completed in 2014 and 2016, respectively. However, the MCSO has not addressed many of the findings and recommendations included in these reports. Similar reviews of sworn officer positions were in-process at the time of our audit.

Conclusion #8A: Procedures to perform routine reviews of the job classifications and physical readiness standards for sworn and detention positions need to be established.	
Recommendation	MCSO Action Plan
8A-1 Establish procedures to review job classification and physical readiness standards for sworn and detention personnel. Develop an action plan to address the issues identified in the job analysis and physical readiness review reports and implement the recommendations.	Concur – will implement with modifications MCSO Leadership will review and evaluate the suggested changes in the Sworn and Detention job analyses, implementing those changes as appropriate. Target Date: September 30, 2018