



Jail Payroll Audit

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Executive Summary

Background and Purpose Utah County auditors recently completed an audit of the Utah County Jail payroll expense. The purpose of the audit was to evaluate whether the payroll expense is in line with the needs to operate the jail in a safe and efficient manner. The safety of both deputies and inmates were considered.

The following divisions within the jail were analyzed:

- Booking
- Housing
- Industries
- Support
- Programs
- Kitchen

For financial recording purposes these divisions are found in the General Ledger under the following ledger numbers.

- Housing 100-42330
- Booking 100-42300
- Industries 100-42310
- Support 100-42320
- Programs 100-42350
- Kitchen 620-42620

What We Found

We note that with the following findings, the Jail leadership operated well when faced with staff shortages, while trying to staff all shifts needed to run the facility.

Some deputies worked excessive hours during some pay periods.

After examining payroll records it was found that some deputies worked more than 50 hours overtime in a pay period in addition to their 86-regular hours on numerous pay periods. In a few instances deputies worked a shift all 14 days of a pay period.

Jail hours worked from year to year did not change significantly even with the reduction of inmates from year to year.



With the termination of the ICE contract with the Federal Government, inmate population decreased 35% from 2014 to 2019 with ICE included. Without ICE it went down by 17% for the same time.

Payroll cost per inmate increased dramatically for each department from 2014 to 2019.

- Housing increased 42%.
- Booking increased 46%.
- Industries increased 44%.
- Support increased 50%.
- Programs increased 50%.
- Kitchen increased 48%.

Benefits as a percentage of wages were consistently around 50%.

This shows that hiring enough deputies to do away with all overtime may not save the county money.

The average over time pay rate was higher in two divisions than the average regular pay rate at time and a half.

This indicates that the higher paid deputies in these divisions are getting the bulk of the overtime.

Employees paid time off (Holiday, Comp, Vacation, Sick and Personal Preference) were recorded in a different division than their regular pay.

Employees reporting paid time off in the wrong division makes the payroll for divisions inaccurate.

Employees were paid, time off (Vacation, Sick, Personal Preference, Funeral and Comp) over what their regular pay. This happened on numerous pay periods and was not always handled in the same way.

This is an issue for the Human Resources department. Holiday pay is treated differently because some employees need to work Holidays.

Employees recorded less than 1 hour worked on some shifts.

This was done most of the time to bring their hours of regular pay to 86 hours. Shifts are 12.25 hours for seven days during a pay period, which comes to 85.75 hours.



Introduction

Background

The audit covered a period from 2014 through 2019 for all jail divisions. The years 2018 and 2019 were used to extensively analyze the payroll expense for the Housing and Booking divisions. These divisions were chosen because of the amount of overtime compared to the other divisions. Time constraints did not allow for a complete analysis of all divisions.

Scope and Methodology

The audit scope included the payroll transaction activity during the selected audit period (January 2018 through December 2019). We assessed the effectiveness of the controls by assessing the accuracy of the existing payroll process and structural adequacy and the sustainability of the internal control structure. The audit scope did include an evaluation of any IT or financial systems or the adequacy or design of IT or financial systems. Evidence to support our conclusions was gathered from direct inquiries of management and staff as well as observations of source documentation and tests of the controls surrounding the transaction approval, calculation and record keeping requirements of the payroll process.

Audit Results

Finding 1: Department hours worked from year to year did not change significantly even with the reduction of inmates from year to year.

From 2014 to 2019 hours worked in the jail divisions changed by the following percentages:

Housing hours decreased 4.85%.

Booking hours increased 2%.

Industries hours increased 3.54%.

Support hours increased 7.10%.

Programs hours increased 3.76%.

Kitchen hours increased 2.63%.

Hours were taken from the General Ledger. Staffing plan for the jail and the hours that it takes to run the jail is in line for 2019 with what is recorded.



Recommendation

Continue to follow the staffing plan when scheduling deputies for shifts.

Finding 2: Payroll cost per inmate increased dramatically for each department from 2014 to 2019.

Housing increased 42%

Booking increased 46%

Industries increased 44%

Support increased 50%

Programs increased 50%

Kitchen increased 48%

Inmate populations need to be segregated based on different criteria which could lead to the same staffing plan even when population is decreasing. Different criteria include general male and female, High risk male and female, suicide watch male and female, lock down male and female, programs male and female, privileged male, and female. These requirements are in place to ensure that both inmates and deputies can have a safe environment.

In 2018, a market study increased wages for most county employees. In 2019 a 3.2% cost of living was approved for all county employees.

Recommendation

Guidelines imposed by Federal, or State governments must be followed. Cost cutting should never take precedence over safety and health.

Finding 3: Benefits as a percentage of wages ranged from 46% to 59% of total payroll for jail divisions from 2014 through 2019. Most years were above 50%.

Hiring new deputies might not always be the most efficient use of resources. Maintaining a balance between overtime and new hires that ensures safety and healthy should be used.



Recommendation

Staffing decisions should be made on the most cost-efficient way to provide coverage for staffing needs while also ensuring that deputies and inmate health and safety is maintained.

Finding #4: The average overtime hourly rate was higher in two divisions than the average regular pay rate at time and a half.

Housing and Booking overtime hourly rates were two to three dollars higher than the average regular hourly pay at time and a half. The other divisions were close when comparing the two rates. This implies that the bulk of the overtime is being done by the higher wage earners in Housing and Booking.

Recommendation

Overtime hours should be spread-out over-all employees to keep overtime expense lower.

Finding #5: Employees paid time off (Holiday, Comp, Vacation, Sick and Personal Preference) were recorded in a different division than their regular pay.

There were 157 occurrences of this happening in Booking which amounted to \$33,457.67 for 2018 and 2019. There were 12 occurrences of this happening in Housing which amounted to \$10,244.03 in 2018 and 2019. This overstates the payroll for Booking for those two years. This surfaced with the new payroll system implemented in October 2017. Employees choose which division to have their time recorded when entering their hours worked.

Recommendation

Employees should only have one option to record paid time-off which corresponds with the division where most of their working hours are recorded.

Finding #6: Factoring in all hours recorded (regular, vacation, sick, funeral, comp, personal preference, and gift holiday), employees were paid more than 86 or 80 hours on some pay periods.

Utah County Department of Human Resources rules and regulations regarding the payment of leave is unclear on whether this is appropriate. It is noted however that the practice of paying



more than the stated regular hours was not always allowed. The only statement in rules and regulations that would suggest it should not be allowed is “sick leave is a privilege afforded County employees and not an obligation of the County to its employees”. Holiday is handled differently because several employees are required to work Holidays to maintain operations of the jail on these days. Following are the amounts found to be paid more than regular pay.

Booking Vacation.....	\$51,694.10
Booking Sick.....	\$12,073.17
Booking Comp.....	\$ 8,037.67
Booking Personal Pref.....	\$ 3,087.16
Housing Vacation.....	\$135,152.06
Housing Sick.....	\$34,052.44
Housing Comp.....	\$11,889.30
Housing Personal Pref.....	\$9,573.64
Housing Funeral.....	\$ 2,721.15
Housing Gift Holiday.....	\$ 39.21
Total.....	\$268,319.90

Recommendation

Utah County Department of Human Resources should make clear what can be paid above an employee’s regular base pay. Written policies and procedures that are clear and direct allow for better controls for the payment of wages.

Finding #7: Employees worked less than 1 hour on a shift.

In 2018 Housing employees recorded less than an hour worked on 472 occasions. In 2019 Housing employees recorded less than an hour worked 217 times. 2018 Booking employees recorded 134 times and 2019 they recorded 114.

Most of these were .25 hours at the end of a week. This would get them to the 86 pay period hours. Shifts are 12.25 hours, and they work 7 shifts per pay period which adds up to 85.75 hours.

Some were overtime hours from employees who worked in other divisions of the Sheriff Office.



The last quarter of 2019 shows the number of occurrences decreased compared to previous quarters.

Finding #8: There were many instances where employees worked 16 hours or more on a shift.

Housing had 906 incidences in 2019 where employees worked a shift of 16 or more hours on a shift. In 2018 there were 908 times employees worked 16 or more.

Booking had 135 times that employees worked a shift for 16 or more hours in 2019., 2018 had 157.

Numerous occasions these were the same employees each pay period, with some employees working 10 or more shifts in a pay period. One pay period in 2019 an employee worked all 14 days, each day accounting for 16 or more hours.

Long shifts and working numerous days in a row can jeopardize the safety and health of the employee, as well as affect the safety of the inmates. Are there any regulations from State or Federal authority that state how many hours deputies can work?

Recommendation

Written policies and procedures should be in place to state how many shifts and hours a deputy can work in a pay period, and then adhere to those written policies and procedures. Not only is the safety and health of individuals a concern, but liability concerns might arise with deputies working that many hours and shifts in a pay period.

Conclusion:

Many deputy positions in the Jail staffing plan have not been filled. This is a cause for some of the overtime and scheduling concerns. During 2018 and 2019 overtime was on a volunteer basis, which accounted for some deputies accumulating large amounts of overtime. Doing away with all overtime by hiring enough deputies to cover all shifts might not be the most economical way, because benefits in some divisions of the jail are higher than fifty percent of the payroll. A balance of overtime and additional hires that ensures the safety and health of employees and inmates is recommended. Written policies and procedures for the hours an employee works per pay period would help in keeping hours at a healthy limit.

A question on comp hours is also a concern in the audit. How is comp accrued? Deputies are getting both comp time and overtime. How is comp hours recorded and how are they tracked?



Department Response

Sheriff's Department response for Jail Payroll Audit

Finding #1: Department hours worked from year to year did not change significantly even with the reduction of inmates from year to year.

	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
Continue to follow the staffing plan when scheduling deputies shifts.		SHERIFF'S OFFICE AGREES. We follow the staffing plan. Due to the design of the jail, and the housing requirements of the inmates, hours worked will not decrease even with fewer inmates.	

Finding #2: Payroll cost per inmate increased dramatically for each division from 2014 to 2019.

	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
Guidelines imposed by Federal or State governments must be followed. Cost cutting should never take precedence over safety and health.		SHERIFF'S OFFICE AGREES. We do not cut costs when the health and safety of the inmates, and staff, could be compromised by doing so. We understand costs for everything we need to operate have gone up. When we make financial decisions, we absolutely do our best to find the best product for the best price. We follow all purchasing guidelines put in place by the County.	

Finding #3: Benefits as a percentage of wages ranged from 46% to 59 % in jail divisions from 2014 through 2019. Most years were above 50%.

	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
Staffing decisions should be made with cost efficiency		SHERIFF'S OFFICE AGREES AND DISAGREES. We do make staffing decisions based on safety and health in mind. We also look at	



safety and health in mind. training and need. Depending on the tenure of the employee, the costs for the employee may be more if they have worked here longer. Some areas in the jail may have longer tenured employees which would raise benefits than other areas where new employees are assigned. However, we fill positions based on health, safety, skills, needs, etc. rather than look at who is costing more.

Finding #4: Average overtime pay rate in Booking and Housing were higher than the average regular pay rate at time and a half.

<u>RECOMMENDATION(S)</u>	<u>AGREE/</u>	<u>TARGET</u>
	<u>DISAGREE</u>	<u>DATE</u>
		<u>ACTION PLAN</u>
It would help to spread overtime to more deputies. This would also keep employees alert on shifts.	SHERIFF'S OFFICE AGREES AND DISAGREES.	We agree that it would be helpful to spread OT around to more deputies. However this would require us to force many employees to work more than their regular scheduled hours. At times we do this by instituting mandatory OT. We do this only as necessary as it is not good for moral. We fill OT by allowing people who want to work, to work. Our supervisors are mindful of those that work the majority of the available OT hours to ensure that they are safe, healthy, alert and able to perform at the level we expect. Also, when we force staff to work more than they want to, it has been our experience that they then take more time off which causes us to try and fill more OT.

Finding #5: Employees paid time off(Holiday, Comp, Vacation, Sick, and Personal Preference) were recorded in a different division than their regular pay.

<u>RECOMMENDATION(S)</u>	<u>AGREE/</u>	<u>TARGET</u>
	<u>DISAGREE</u>	<u>DATE</u>
		<u>ACTION PLAN</u>
Employees should only have the option for them to record paid time-off in payroll which corresponds	SHERIFF'S OFFICE AGREES.	This may be a problem with the Workday system. We will coordinate with HR to ensure that this is being done correctly.



with the division where
 most of their working
 hours are recorded

Finding #6: When factoring in all hours recorded (regular, vacation, sick, funeral, comp, personal preference, and gift holiday), employees were paid more than 86 or 80 hours in some pay periods.

RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
Utah County Department of Human Resources should make clear what can be paid above an employee's regular base pay. Written policies and procedures that are clear and direct allow for better controls for the payment of wages.		SHERIFF'S OFFICE AGREES AND DISAGREES. Employees are paid more for work that they perform over their regularly scheduled hours. Creating a policy for this is something for HR to look at, not the Sheriff's Office.	

Finding #7: Employees worked less than one hour on a shift.

RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
Without a need a deputy Should work at least one hour on a shift.		SHERIFF'S OFFICE DISAGREES. Deputies will put .25 or .5 in the area they are assigned. For example, a deputy working OT in Booking who is actually assigned to Housing may put .5 in Housing to ensure a total of 86 hours of regular pay in Housing. Since the deputy is working OT in Booking, the OT hours are then put under the Booking account.	



Finding #8: There were many instances where employees worked 16 hours or more on a shift.

RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<p>Written policies and procedures should be in place that state the number of shifts and hours an employee can work in a pay period, and then those written policies and procedures should be followed. Not only is the safety and health of individuals a concern, but the liability that might occur with employees working too much.</p>	<p>SHERIFF'S OFFICE DISAGREES.</p>	<p>We do try and limit the number of hours employees work. We do not want them working longer than 16 hours, and we try our best to only have them work their regularly scheduled hours, typically 12.25. However, there are times when it is necessary and appropriate for employees to work longer than we would prefer. Many times this occurs due to critical incidences taking place while we are already running short staffed. Creating a policy to restrict this is not feasible. Due to the unique type of job and hours both Corrections and Law Enforcement are required to work, if a policy was put in place to restrict hours, we would constantly be violating our own policy. This opens us up to even more liability. We have researched other agencies throughout the Country to see if there is an industry standard on restricting OT and the number of shifts Law Enforcement or Corrections should be held to, and were unable to find one. Almost all of them follow the same methodology currently followed by the Sheriff's Office.</p>	