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# **CITY OF SAN ANTONIO**

## **OFFICE OF THE CITY AUDITOR**



Audit of San Antonio Fire Department

Overtime Administration

Project No. AU20-013

February 5, 2021

Kevin W. Barthold, CPA, CIA, CISA  
City Auditor

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## Executive Summary

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As part of our annual Audit Plan approved by City Council, we conducted an audit of the San Antonio Fire Department (SAFD), specifically the overtime administration process. The audit objective, conclusion, and recommendation follow:

**Determine if San Antonio Fire Department (SAFD) overtime is adequately supported, authorized, and documented.**

SAFD has adequate internal controls to ensure overtime is supported, authorized, and documented.

However, we identified one area that needs improvement. We identified SAFD payroll personnel using an SAP user role that allows them to both enter and approve overtime transactions.

We recommend that the Fire Chief perform periodic user access reviews and modify SAP roles accordingly to ensure a proper segregation of duties that comply with the least privilege principle.

SAFD Management agreed with the audit findings and has developed positive action plans to address them. Management's verbatim response is in Appendix C on page 6.

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## Background

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The San Antonio Fire Department (SAFD) provides fire prevention, fire suppression, emergency medical services, emergency management, and rescue services to the public. SAFD conducts inspections for building safety, issues permits, investigates fires of suspicious nature, maintains firefighting apparatus and equipment, receives and dispatches calls for fire and medical services, trains department personnel, and conducts community education.

All services provided by the SAFD are performed by 1,845 full-time personnel with 1,762 being uniformed employees as of the fiscal year (FY) ended September 2019. Actual personal services costs for FY18 and FY19 were \$261M and \$266M, respectively. During the same time, uniformed SAFD incurred actual overtime costs of \$27M and \$26M, respectively.

For FY18 and FY19, we performed an analysis comparing SAFD overtime pay to base pay for uniformed personnel. Overtime as a percentage of base pay ranged from approximately 2% to 36%, depending on the SAFD organization. See **Appendix A** - Overtime by SAFD Organization for the analysis.

To document and monitor overtime costs, the SAFD utilizes the Kronos Workforce TeleStaff (Telestaff) and SAP systems. The Telestaff system is used to track and schedule overtime hours for all uniformed personnel. Bi-weekly, a flat file is uploaded into SAP from TeleStaff for payroll processing.

The Collective Bargaining Agreement (CBA) between the City of San Antonio and the Local 624 International Association of Fire Fighters governs overtime compensation for Fire Department uniformed personnel.

## Audit Scope and Methodology

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The audit scope was from October 2017 to September 2019. It included all overtime transaction types incurred by SAFD uniformed personnel as processed in Telestaff and SAP.

We interviewed SAFD payroll personnel and obtained an understanding of the controls in place to review and monitor the uniformed overtime process in SAP. In addition, we interviewed uniformed SAFD operations personnel to obtain an understanding of the Telestaff overtime processes followed.

Significant internal control components and principles include control activities such as authorizations, approvals, segregation of duties, and reconciliations. We reviewed each control activity during our tests of procedures.

As part of our testing procedures, we reviewed overtime assigned to firefighters to determine if it was approved and adequately supported. In addition, we reviewed overtime hours to verify they were practical under the circumstances. We reviewed reconciliations of Telestaff overtime entries to SAP entries to verify they were accurate and done timely. Finally, we reviewed manual overtime entries in SAP to determine if they were approved and supported.

We reviewed the Fair Labor Standards Act (FLSA) and the Collective Bargaining Agreement (CBA) between the City of San Antonio and Local 624 International Association of Fire Fighters to determine if firefighters were paid properly. We reviewed Telestaff and SAP system user roles to verify access was appropriate and a proper segregation of duties was in place.

We relied on computer-processed data in the SAP and Telestaff systems to validate the overtime hours paid to SAFD uniformed personnel. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. Our direct testing also included verifying overtime hours in the Telestaff system matched overtime hours paid to SAFD personnel in the SAP system. We do not believe that the absence of testing general and application controls in these systems had an effect on the results of our audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

## Audit Results and Recommendations

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The San Antonio Fire Department had adequate controls over the administration of their overtime processes. We reviewed a random sample of overtime transactions for fiscal years 2018 and 2019 and determined they were properly supported, approved, and documented. We verified SAFD payroll personnel were performing timely and accurate reconciliations of overtime entries from Telestaff to SAP. We also reviewed a random sample of manual overtime entries in SAP and determined they were approved and supported.

Finally, we reviewed the Fair Labor Standards Act (FLSA) pay received by Fire Suppression personnel who are assigned to a 56-hour work week and determined they were paid properly. They receive time and one-half (1-1/2) their regular rate of pay for all hours worked in excess of 159 hours during a 21-day cycle.

### A. Payroll User Roles/Segregation of Duties

SAFD payroll personnel are using an SAP user role<sup>1</sup> that allows them to both enter and approve overtime transactions.

User access in SAP is not appropriate for SAFD personnel in the Payroll Division. We reviewed user access roles and authority within SAP and determined that seven SAFD personnel have conflicting authorities within a certain role in SAP that allows them to both enter and approve overtime transactions.

*Administrative 7.8d Access Control* states access controls should be periodically reviewed and access should be limited based on the principle of least privilege. The SAFD has not performed user access reviews so that conflicting SAP access can be eliminated.

The current lack of segregation of duties in the SAP payroll processor role results in users being able to process improper and unauthorized overtime transactions. Removing unnecessary access ensures only authorized transaction are processed.

### Recommendation

The SAFD Chief should perform periodic user access reviews and modify SAP roles accordingly to ensure a proper segregation of duties that comply with the least privilege principle.

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<sup>1</sup> The SAP payroll processor role for SAFD personnel has “authorizations” that allow them to both enter and approve overtime transactions.

## Appendix A – Overtime by SAFD Organization

The table below shows overtime pay for uniformed personnel (by SAFD organization) as a percentage of base pay. Overtime as a percentage of base pay ranged from approximately 2% to 36% over the two-year period shown depending on the SAFD organization.

SAFD Organization	FY2019			FY2018		
	Base Pay*	Overtime Pay*	Overtime Pay as a % of Base Pay	Base Pay*	Overtime Pay*	Overtime Pay as a % of Base Pay
<b>Communications</b>	\$6,703	\$2,309	34%	\$6,206	\$2,244	36%
<b>Fire and Rescue</b>	\$895	\$201	22%	\$877	\$251	29%
<b>Services</b>	\$123	\$33	27%	\$121	\$31	26%
<b>Emergency Medical Services</b>	\$44,944	\$9,849	22%	\$44,473	\$9,813	22%
<b>Arson Investigation</b>	\$2,085	\$460	22%	\$1,968	\$410	21%
<b>Fire Prevention</b>	\$4,270	\$853	20%	\$4,110	\$812	20%
<b>Personnel Services</b>	\$206	\$47	23%	\$206	\$34	17%
<b>EMS Administration</b>	\$425	\$62	15%	\$417	\$65	16%
<b>Fire Fighting</b>	\$118,456	\$15,154	13%	\$114,718	\$16,115	14%
<b>Training</b>	\$1,850	\$291	16%	\$1,906	\$207	11%
<b>Office of the Fire Chief</b>	\$1,376	\$27	2%	\$1,314	\$24	2%
<b>Totals</b>	<b>\$181,333</b>	<b>29,285</b>	<b>16%</b>	<b>\$176,316</b>	<b>\$30,006</b>	<b>17%</b>

\*Amounts are represented in 1,000s.

## **Appendix B – Staff Acknowledgement**

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Mark Bigler, CPA-Utah, CISA, CFE, Audit Manager  
Danny Zuniga, CPA, CIA, Auditor in Charge  
Javier Castillo, IT Auditor



## Appendix C – Management Responses



### CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

December 15, 2020

Kevin W. Barthold, CPA, CIA, CISA  
City Auditor  
San Antonio, Texas

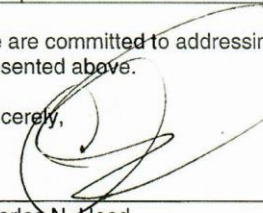
RE: Management's Corrective Action Plan for Audit of San Antonio Fire Department Overtime Administration

The San Antonio Fire Department has reviewed the audit report and has developed the Corrective Action Plan below corresponding to the report recommendation.

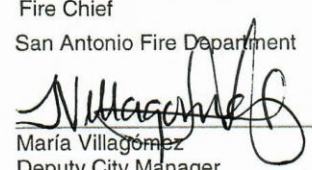
Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
1	<b>Payroll User Roles/Segregation of Duties</b>  The SAFD Chief should perform periodic user access reviews and modify SAP roles accordingly to ensure a proper segregation of duties that comply with the least privilege principle.	3	Accept	Linda Almendarez	
<b>Action plan:</b> Periodic review of user access will be conducted, documented confirmation of all OT that it entered/approved by Payroll will continue. Number of personnel with multiple roles will be reduced to as few as operationally efficient.					

We are committed to addressing the recommendation in the audit report and the plan of action presented above.

Sincerely,

  
Charles N. Hood  
Fire Chief

San Antonio Fire Department

  
Maria Villagomez  
Deputy City Manager  
City Manager's Office

1/7/21  
Date

1/11/2021  
Date