



INTERNAL AUDIT REPORT FOR

**Overtime Wages**  
Fire and Emergency Services  
Audit Plan Year 2022

**February 10, 2023**

**GWINNETT COUNTY**  
**INTERNAL AUDIT DIVISION**

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## Background & Scope

The Department of Fire and Emergency Services (the Department) maintains 31 fire stations geographically dispersed throughout Gwinnett County (the County), with sufficient minimum daily staffing levels to provide quality emergency services for residents. Minimum staffing levels for each station are primarily determined by service goals and emergency vehicles kept at stations. Ambulances, engines, and ladder trucks require a minimum number of personnel to successfully operate. The Department periodically requires employees to work extra shifts or overtime because of variations in available resources due to, among others, illness, military leave, school, turnover, and vacation. The Fair Labor Standards Act (FLSA) sets overtime as the cumulative hours worked over 212 hours during a 28-day period for emergency service employees. The Department must pay employees time-and-half for overtime hours. The Department incurred approximately \$8.5 million in overtime during the audit period January 2021 to July 2022.

The Department's Fire Operations Operating Guidelines (FOOG), revised April 2022, contains standards that govern staffing levels, leave procedures, and work schedules, including overtime. Battalion Chiefs are responsible for ensuring compliance with staffing requirements per policy. The Department uses a staff scheduling solution, UKG TeleStaff, to manage overtime and other staffing tasks. The system provides scheduling capabilities for multiple shifts including overtime assignments. It also contains tools for Battalion Chiefs to approve schedules and employees to view them online. TeleStaff does not integrate with SAP, and employees must also enter actual hours worked in Employee Self Services (ESS) to get paid. A Business Services Associate (BSA) periodically reconciles data from both systems to confirm authorization and accuracy of input. The Department's key objectives for overtime are as follows:

- Compensation is accurate and approved by management.
- Hours are necessary to maintain required staffing levels per FOOG.
- Procedures comply with Human Resources policies, FLSA, and FOOG requirements.

The purpose of this audit was to evaluate the adequacy and effectiveness of management's control activities that are designed to provide reasonable assurance of achieving the objectives. Internal Audit (IA) interviewed employees, observed certain control activities, and reviewed documents on a sample basis for the audit period. We believe the evidence provided a reasonable basis for our assessment. See **Exhibit A** for a summary of our audit procedures.

## Assessment

Management's control activities were generally adequate and effective in providing reasonable assurance of achieving their control objectives. We found no evidence of abuse or misappropriation. We made three recommendations to improve control activities. They are improvement opportunities rather than significant or material control deficiencies.

# Recommendations

## 1. Emergency response employees worked more than 48 continuous hours.

Though not an FLSA requirement, the Department's operating guidelines require employees working on emergency response units for 48 consecutive hours to have a minimum 12 hours break prior to their next emergency assignment. The break in service is to prevent excessive fatigue which could result in accidents or poor performance. To assess compliance with this policy, IA selected a judgmental sample of 77 emergency service personnel from 129 pay period records. We reviewed corresponding work schedules and observed 15 employee shifts that included more than 48 consecutive work hours without break.

### RECOMMENDATION

Battalion Chiefs and supervisors should review schedules to ensure they provide the required break in service for employees with 48 consecutive hours before approving them online. Field supervisors should ensure employees' work hours comply with the standard. We understand there are certain circumstances, such as holdovers and emergency calls, that may preclude compliance. Supervisors should document these circumstances in TeleStaff for future reference. Operations or Employee Support should monitor schedule data for compliance on a sample basis and follow through on anomalies.

### Management Response

*After meeting with the audit team, compliance with Department guidelines did not seem to be an issue. The guideline is in place to ensure a 12-hour break before being scheduled again on an emergency response unit. It appeared that all occurrences were either held over on a call or performing some other duty outside of an emergency response unit. However, since the question came up, the Department will explore whether a report can be created in TeleStaff to easily identify an instance that violated current guidelines. A task in Management Framework will be updated by the Fire Chief Office.*

### IA Comment

*We agree with the creation of a report in TeleStaff to monitor and identify instances where an employee works more than 48 continuous hours. In addition to updating the Management Framework for enhanced reporting, we believe management should also update operating guidelines to define acceptable activities personnel may assume during break periods.*

## 2. Human Resources did not review swap time procedures for concurrence.

Battalion Chiefs may allow employees who need urgent or unforeseen time off but lack approved annual leave to swap work schedules with someone else. Swap time does not impact payroll. Employees must enter swap time requests in TeleStaff for approval. Participation is voluntary and employees may decline any request without retaliation. Employees are responsible for fulfilling the initial and payback swap per agreement within six months. They enter leave as, "Swap Time – Not Working," and payback as, "Swap Time – Working," in TeleStaff. Also, management must exclude swap time from employee overtime calculations.

IA walked through swap procedures with management to evaluate the adequacy of related control activities and found no significant compliance risks or improvement opportunities. Battalion leaders are supposed to administer these procedures in accordance with Human Resources Management Policies, but we understand the Human Resources Department (HR) has not reviewed swap time guidelines for concurrence.

### RECOMMENDATION

HR should review FOOG, Chapter 8 – Staffing, and concur with guidance. We suggest HR consider the efficacy of the following in their review:

- FLSA allows public employers to adopt substitutions or shift swaps for firefighters, but the practice is not a requirement. The Department’s swap policies appear compliant with FLSA substitution guidance, but HR should confirm.
- Employees record swap time activity when incurred, but no one independently monitors whether both the initial and payback swap occur within six months. Fire and HR should consider reducing the maximum deferral to one or two pay periods to reduce likelihood of nonconformance.
- FOOG staffing requirements pertain primarily to equitable use of leave time and deal with overtime tangibly. Fire should update FOOG to include the approval, use, and recording of overtime.

### Management Response

*The Department fully supports the need to discuss further and make any needed changes based upon Human Resources input. The audit information and associated Department guidelines will be provided to HR for review. A follow-up meeting will be scheduled to discuss further, and any changes will be noted in Management Framework.*

## 3. TeleStaff lacks SAP integration and adequate user privileges for approvals.

Employees enter work time in TeleStaff for scheduling purposes and SAP ESS to get paid because the systems lack data integration. Supervisors approve scheduled and worked hours in Telestaff and ESS, respectively. A BSA must periodically reconcile data from both systems to confirm authorization and accuracy of input. To evaluate the effectiveness of these procedures, we selected a judgmental sample of 77 employees’ time records from TeleStaff and sought evidence of supervisory approvals and proper segregation of duties. We also reviewed related reconciliations. Direct supervisors approve employee work hours entered in TeleStaff, but other supervisors may approve ESS time entries because of assigned workflows. We also found employees approved 13 of their own time records. This was due in part to a lack of automated approval workflows and restricted user privileges. The periodic reconciliations failed to detect the erroneous approvals.

## RECOMMENDATION

Business Services and Operations should request TeleStaff integration with priority during the ERP implementation or consider alternative solutions supported by the ERP system. The divisions should also configure approval workflows and user privileges to prevent self-approvals. Battalion Chiefs or supervisors should pre-approve overtime excluding emergencies.

### Management Response

*The Department has used SAP as the official approval of overtime and has viewed the TeleStaff software as the location and tracking of response personnel and units. From an auditing standpoint, the Department agrees that improving TeleStaff approval processes would make the overall approval process better. The Department has made a written request to the ITS Business Relationship Consultant asking for priority in the integration of TeleStaff with the next ERP solution. Internally, the Department will explore options to improve approval processes in TeleStaff and track progress on Management Framework.*

### IA Comment

*We encourage the Department to prevent self-approvals and to restrict privileges based on job requirements. We also advocate for systems and activities that provide the necessary tools to quantify overtime hours for pre-approval, excluding emergencies. These should be used for planning purposes to better manage individual schedules to reduce overtime if possible. Allocating overtime to lower rate shifts or employees is an example. We understand employee scheduling for emergency services is complex and system enhancements can be expensive or disruptive to operations. We therefore defer to management's judgment regarding cost-benefits of this recommendation.*

## Other Considerations

IA observed opportunities to improve certain business activities based on best practices and included advisory comments for management consideration only. Management is not required to provide written responses or corrective action plans. The advisory comments are as follows:

- The Department should consider utilizing timekeeping devices at stations to improve accuracy, better monitor attendance, and reduce the potential for abuse. Increased accuracy may also ensure employee compensation is fair and complies with FLSA guidelines.
- The BSA runs a bi-weekly report in SAP to detect payroll anomalies but does not document results and resolutions. Although we did not discover any unusual overtime payments during our review, the BSA should document trend analysis outcomes, including, if applicable, remediation efforts, and keep them for future reference.

## Exhibit A: Summary of Audit Procedures

- Interviewed management to identify key control activities. Walked through key activities at two fire stations to confirm understanding and validate procedures.
- Reviewed 129 pay periods for a sample of 77 employees for the following attributes:
  - a) Appropriate approvers reviewed ESS timesheet entries in a timely manner.
  - b) Employee time entries in ESS agreed with TeleStaff.
  - c) Personnel did not work more than 48 consecutive hours (**Recommendation 1**).
  - d) HR recorded FLSA exempt or non-exempt status in SAP.
  - e) Department complied with FLSA standards for overtime pay.
  - f) BSA approved TeleStaff to ESS reconciliations.
  - g) HR processed accurate overtime pay.
- Inquired about HR's process for reviewing exempt and non-exempt employee statuses and swap time usage (**Recommendation 2**).
- Compared Overtime Hiring Process Flow Chart with the National Fire Protection Association guidance and other applicable best practices.
- Reviewed TeleStaff approvals for sample of 129 pay periods. Reviewed user access controls including privileges for system (**Recommendation 3**).
- Reviewed SAP payroll reports used to detect overtime pay aberrations for sufficiency.