



**Audit of Milwaukee Police
Department Overtime**

AYCHA SAWA
City Comptroller

CHARLES ROEDEL
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November 2022

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November 7, 2022

Honorable, Mayor Cavalier Johnson
The Members of the Common Council
City of Milwaukee

Dear Mayor and Council Members:

The attached report summarizes the results of the Audit of Milwaukee Police Department Overtime. Specifically included in the scope were:

- Paid and compensatory overtime earned during fiscal year 2021 for all sworn employees. Civilian overtime is excluded specifically.

The primary focus of the audit is on overtime use, management, monitoring, and forecasting activities. The audit objectives were to review:

- Use of overtime, with an emphasis on extension of duty and court overtime, including analysis of outliers and distribution between ranks.
- The overtime forecasting process.

The controls surrounding the utilization and reporting of overtime pertaining to extension of duty and court are adequately designed and operating effectively. This results in proper approval and reporting of overtime hours and accurate overtime forecasting for the budget.

Appreciation is expressed for the cooperation extended to the auditors by the personnel of the Milwaukee Police Department.

Sincerely,

A handwritten signature in cursive script that reads 'Charles Roedel'.

Charles Roedel, CPA, CIA
Audit Manager

CRR:rigl



Why We Did This Audit

Aldermanic interest in auditing Milwaukee Police Department (MPD) overtime due to financial significance to the City and MPD overtime often being over-budget.

Objectives

- Review and evaluate the use of overtime, with an emphasis on extension of duty and court overtime, including analysis of outliers and distribution between ranks.
- Review and evaluate the overtime forecasting process.

Background

In 2021, total budgeted expenses for MPD was \$295,305,985, including \$17,241,755 (5.8% of the total MPD budget) for compensated overtime and \$3,100,000 for contract reimbursed overtime.¹ MPD overtime policy is described in SOP 555. Compensation for overtime is driven primarily by negotiated labor contracts with the Milwaukee Police Association and the Milwaukee Police Supervisors' Organization. The two largest categories of overtime are Extension of Duty and Court, which collectively account for 91% of overtime in 2021.

Audit Report Highlights

Audit of MPD Overtime

Overview

Controls over MPD extension of duty overtime, court overtime, and the budgeting and forecasting process are designed adequately and operating effectively. Internal Audit had observations in the areas of supervisory extension of duty overtime, court overtime, and top 10 individual overtime.

Observations

Extension of Duty Overtime

Observation 1: Supervisory levels do not have as stringent of extension of duty controls in place. Supervisors averaged 363 hours of extension of duty per supervisor in 2021 versus 149 hours of extension of duty per officer. Although other factors could cause supervisory extension of duty overtime per individual to be more than extension of duty overtime per officer, the difference in controls may be a contributing factor.

Court Overtime

Observation 2: Court overtime decreased from \$2.5M in 2019 to \$1.1M in 2021 due to a reduced capacity at the courts. MPD Court Administration notes a backlog of approximately 10,000 cases, which will have a significant financial impact to resolve.

Top 10 Sworn Individual Overtime

Observation 3: Total overtime for the top 10 sworn individuals is similar between 2019 and 2021. Several sworn individuals in the top 10 averaged working more than 60 hours per week.

¹ City of Milwaukee. 2020. *2021 Adopted Budget*. September 22.

<https://city.milwaukee.gov/ImageLibrary/User/crystali/Budget-Books/2021AdoptedBudgetBook.pdf>. Accessed October 20, 2022.

I. Audit Scope, Objectives, and Methodology

Scope

The scope included paid and compensatory overtime earned during fiscal year 2021 for all sworn employees. Civilian overtime was specifically excluded.

Objectives

The objectives of the audit were to review and evaluate the following:

- Use of overtime, with an emphasis on extension of duty and court overtime, including analysis of outliers and distribution between ranks.
- The overtime forecasting process.

Methodology

Audit methodology included developing an understanding of the processes and controls over MPD overtime. The audit program was developed using criteria outlined by MPD standard operating procedures.

The audit procedures developed to evaluate the processes and controls to meet the audit objectives included process walkthroughs, inspection of relevant control documentation, and the testing of controls as follows:

- Internal Audit met with MPD's Court Administration Supervisor to observe the process for approving court overtime. Additionally, Internal Audit observed MPD sworn individuals reporting for court overtime.
- Internal Audit identified MPD sworn individuals that exceeded 40 court appearances in 2021 and obtained justification from MPD administration for those outliers.
- Internal Audit identified MPD sworn individuals that exceeded 750 hours of extension of duty overtime in 2021 and obtained justification from MPD administration for those outliers.
- Internal Audit completed a process walkthrough with MPD administration on overtime budgeting process and monitoring procedures. Additionally, Internal Audit tested and reviewed budget documents used to create and monitor MPD's overtime budget by MPD administration.

The audit was conducted 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.

II. Organization and Fiscal Impact

Organizational Impact

Milwaukee Police Department’s mission states “by using effective community engagement, we will impact crime, help build sustainable neighborhoods and foster positive community relations.”² Much of the nature of MPD’s work leads to overtime. Examples of overtime causes are sworn individuals being on specialized task forces, subpoenaed for court appearances, and responding to emergencies towards the end of a scheduled shift. The definitions for extension of duty and court overtime are below:

- Extension of Duty: All authorized time pertaining to time extending beyond the sworn individual’s regularly schedule eight hour shift.³
- Court: All authorized time pertaining to an actual court appearance resulting from law enforcement actions for which there is the issuance of a subpoena, whether such appearance be municipal, state, federal, administrative, inquest, or civil in nature (e.g., civil litigation).⁴

Fiscal Impact

The total budgeted amount for overtime in 2021 was \$17.2M. The actual 2021 non-reimbursable overtime was \$17.1M. In 2021, MPD spent a combined total of \$15.6M on overtime for court and extension of duty representing 91% of 2021 non-reimbursable overtime. The following is a breakout of the two categories reviewed by this audit:

² Milwaukee Police Department Mission Statement. city.milwaukee.gov/police. Accessed October 19, 2022.

³ Milwaukee Police Department. 2019. *Standard Operating Procedure 555 – Compensation and Overtime Procedures*. June 11. Accessed October 19, 2022.

⁴ Milwaukee Police Department. 2021. *Standard Operating Procedure 150 – Court Procedures*. October 5. Accessed October 19, 2022.

Type of Overtime	2019 Non-Reimbursable Overtime ⁵	2021 Non-Reimbursable Overtime
Extension of Duty	\$14.2M	\$14.5M
Court	\$2.5M	\$1.1M
Other	\$0.7M	\$1.5M
Total	\$17.4M	\$17.1M

III. Audit Conclusions and Recommendations

The controls surrounding the utilization and reporting of overtime pertaining to extension of duty and court are adequately designed and operating effectively. This results in proper approval and reporting of overtime hours and accurate overtime forecasting for the budget.

Extension of Duty Overtime

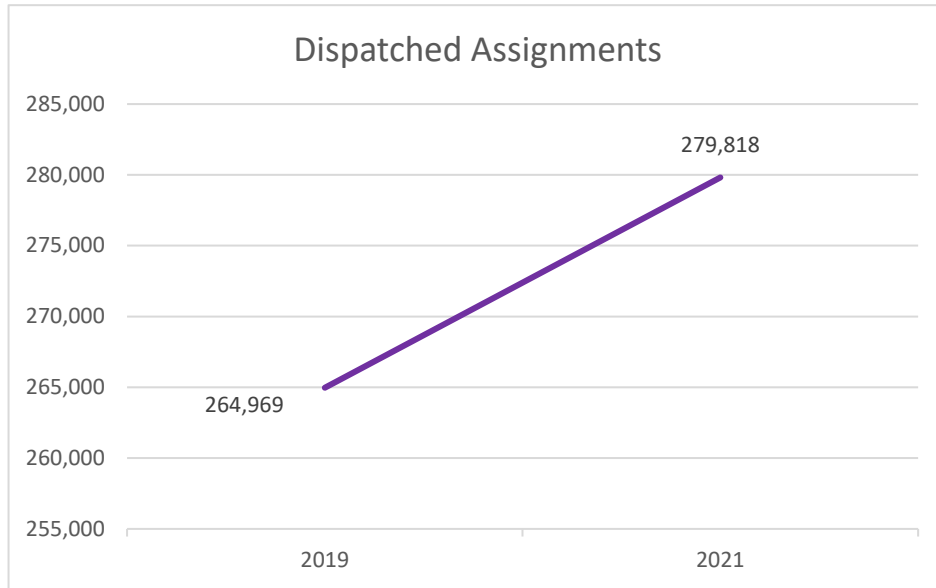
Extension of Duty overtime is the most common type of overtime at 85% of non-reimbursable overtime. It encompasses the majority of tasks and activities that would extend a sworn individual's shift. A few examples of those activities include responding to a shooting towards the end of their shift, staying on scene for a car accident to provide additional necessary coverage, and completing a case report for domestic violence call.

Internal Audit identified sworn individuals having over 750 hours of extension of duty overtime in 2021 and selected those sworn individuals for sampling. There were 13 sworn individuals identified, and Internal Audit requested justifications from MPD Administration for each of the 13 sworn individuals. Additionally, Internal Audit went to the District 5 station to observe the process of granting extension of duty overtime towards the end of a shift.

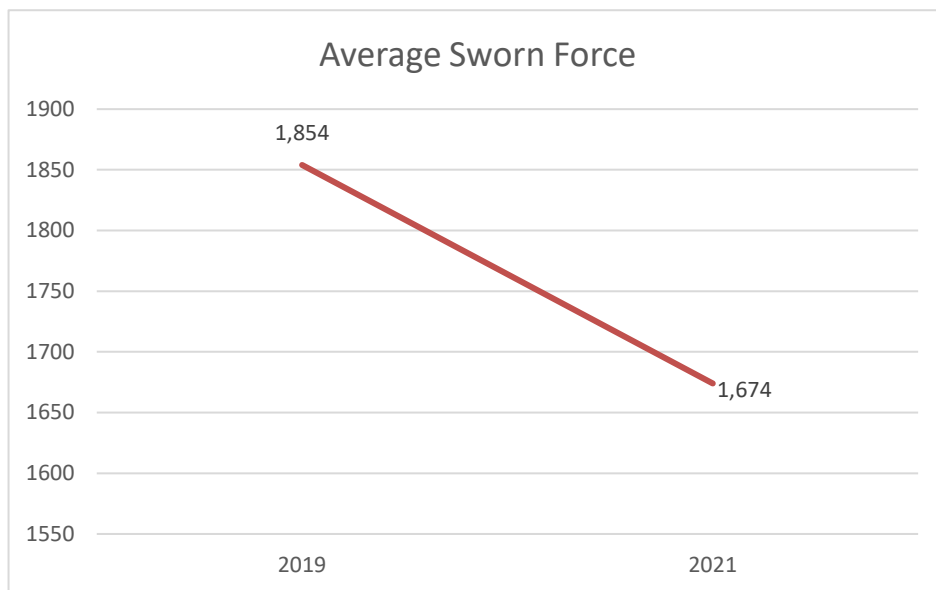
MPD Administration was able to provide a reasonable basis justifying higher levels of extension of duty overtime for each sworn individual that had accumulated over 750 hours of extension of duty overtime in 2021. The justifications included the sworn individual(s) being on a specialized task force and/or special detail and assignment to the Criminal Investigation Bureau (CIB) Homicide Division.

⁵ City of Milwaukee. 2020. *Audit of Milwaukee Police Department Overtime*. October 21. <https://city.milwaukee.gov/ImageLibrary/Groups/cityComptroller/Reports/Internal-Audit/Audit-Reports/2020/MPDOTAuditReport.pdf>. Accessed on October 25, 2022.

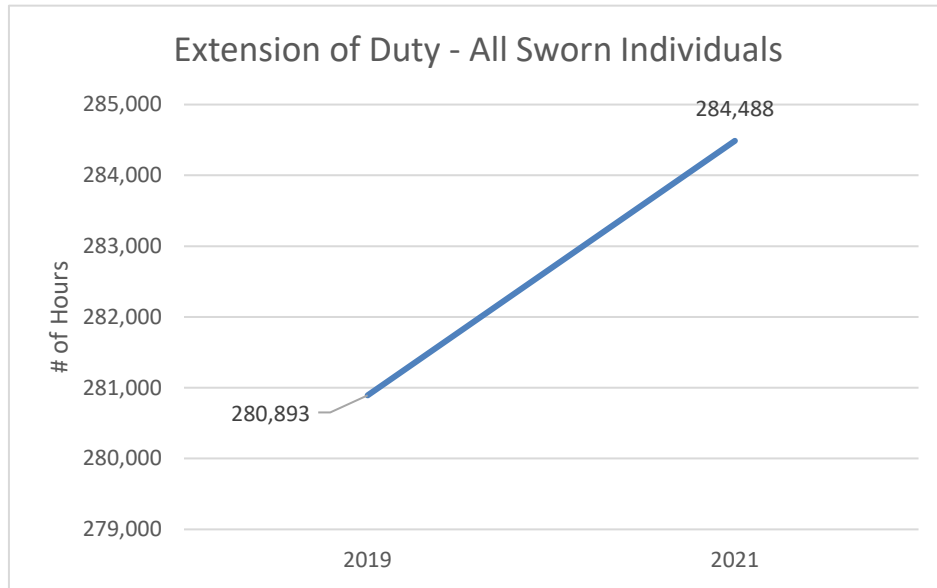
From 2019 to 2021, dispatched assignments increased by 5.6% as shown in the graph below.



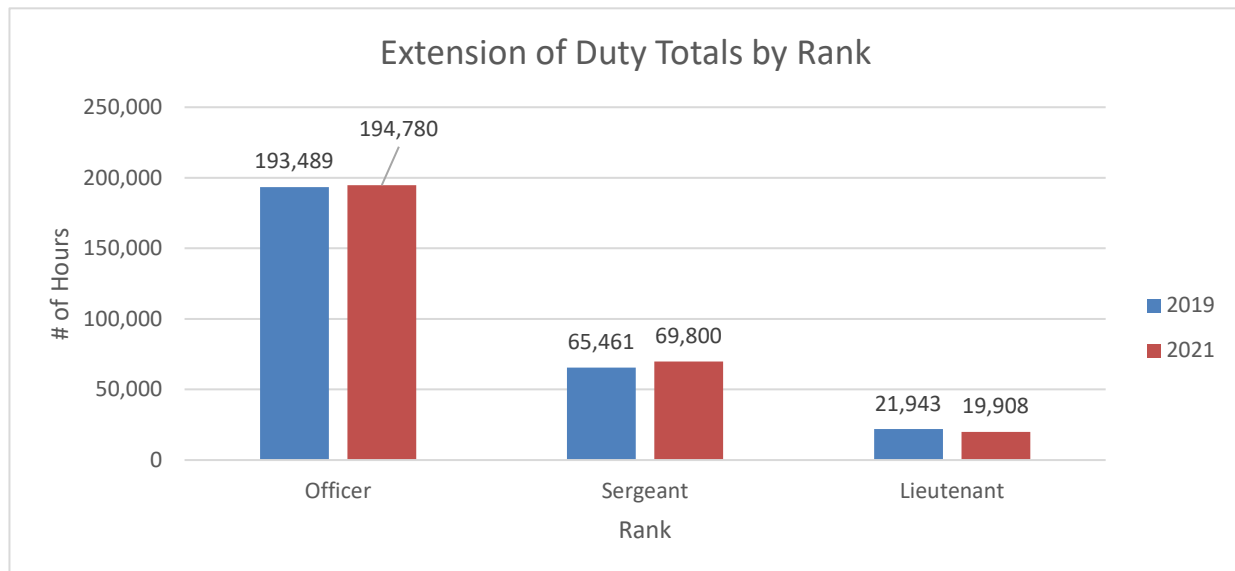
Meanwhile, the average sworn force decreased by 9.7% during that time period.



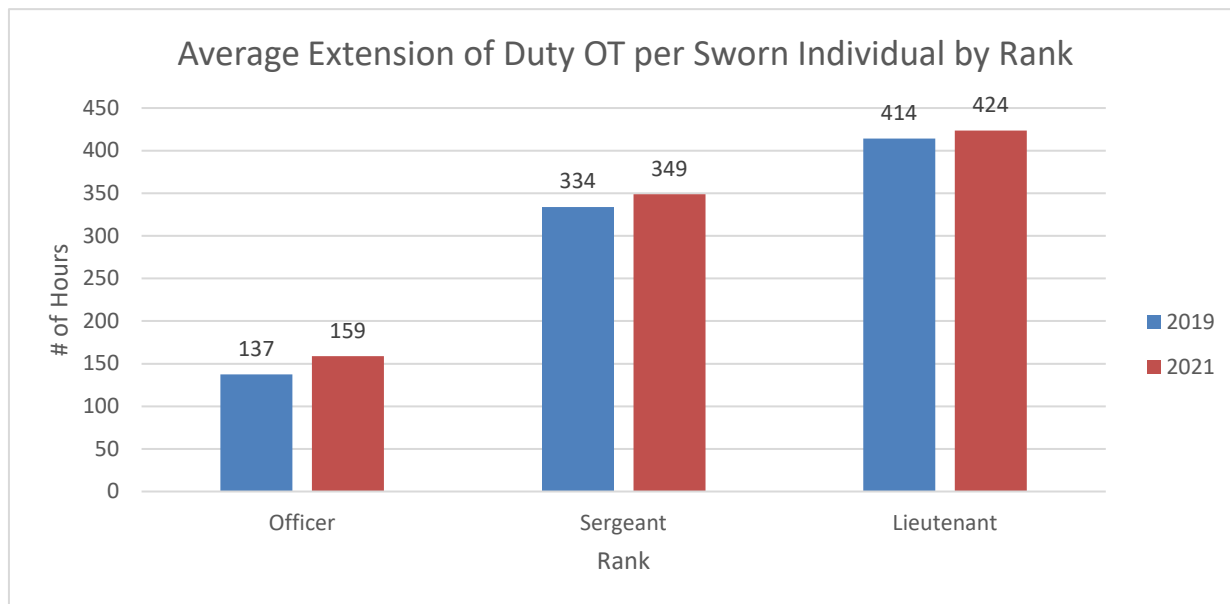
An increase in dispatched assignments combined with a smaller sworn force to respond to the assignments contributes to a 1.3% increase in extension of duty overtime for sworn individuals.



Officers represented 69% of extension of duty overtime, Sergeant represented 24% of extension of duty overtime, and Lieutenant represented 7% of extension of duty overtime in 2021. The increase in sergeant extension of duty accounted for the entire increase for total extension of duty from 2019 to 2021.



Observation #1: Supervisory levels do not have as stringent of extension of duty controls in place. Supervisors averaged 363 hours of extension of duty per supervisor in 2021 versus 159 hours of extension of duty per officer. Although other factors could cause supervisory extension of duty overtime per sworn individual to be more than extension of duty overtime per officer, the difference in controls may be a contributing factor.



Court Overtime

Court overtime is the second largest contributor to non-reimbursable overtime at 6% of 2021 non-reimbursable overtime. Common reasons a sworn individual may have court overtime is that they responded to the scene or the prosecutor's office prefers to subpoena them to testify as they perform better on the stand compared to others. Additionally, the sworn individual could be on a specialized task force and/or possess specialized training in a certain area and by default are responding to a more specific type of call for service. A few examples of these types of calls for service that require specialized training by a sworn individual include narcotic investigations, homicide investigations, and assignment to Shotspotter responses.

Internal Audit identified sworn individuals having over 40 court appearances in 2021 as outliers and selected those sworn individuals for sampling. There were eight outliers (six officers and two sergeants) identified and Internal Audit requested justifications from MPD Administration for each of the eight outliers. MPD Administration was able to provide reasonable basis justifying why each

outlier had accumulated over 40 court appearances in 2021. The justifications included the sworn individual(s) being on specialized task forces, assignment to respond to Shotspotter incidents and other violent crimes, and providing testimonies for backlogged cases from 2020.

Additionally, Internal Audit observed MPD members reporting for court overtime. Internal Audit also met with Court Administrator Supervisor to observe the process for approving court overtime.

Observation #2: Court overtime decreased from \$2.5M in 2019 to \$1.1M in 2021 due to a reduced capacity at the courts. MPD Court Administration notes a backlog of approximately 10,000 cases, which will have a significant financial impact to resolve.

Budgeting and Analysis

MPD Budget and Finance (B&F) Division is responsible for allocating overtime funds to each bureau. B&F reviews past budget allocations from prior years to determine how much each bureau should be allocated for the upcoming year. Once B&F has allocated money to each bureau, it is the responsibility of the head of each bureau to monitor and plan accordingly. Bureau heads are expected to use their insight on volume trends in their districts to ensure there are enough hours available during those high volume times.

Budget & Finance supports MPD leadership in overtime analysis by providing two types of scorecards: summary and biweekly. The summary scorecards are emailed and discussed at a standing monthly meeting with executive command staff. The biweekly scorecards are shared with district captains and are available in a shared folder after every pay period, which allows MPD leadership to review the current standing of their budget at any given time. These scorecards provide a snapshot of where each bureau stands with their overtime budget. This includes funds spent year-to-date, funds remaining, and how spending compares to the previous year.

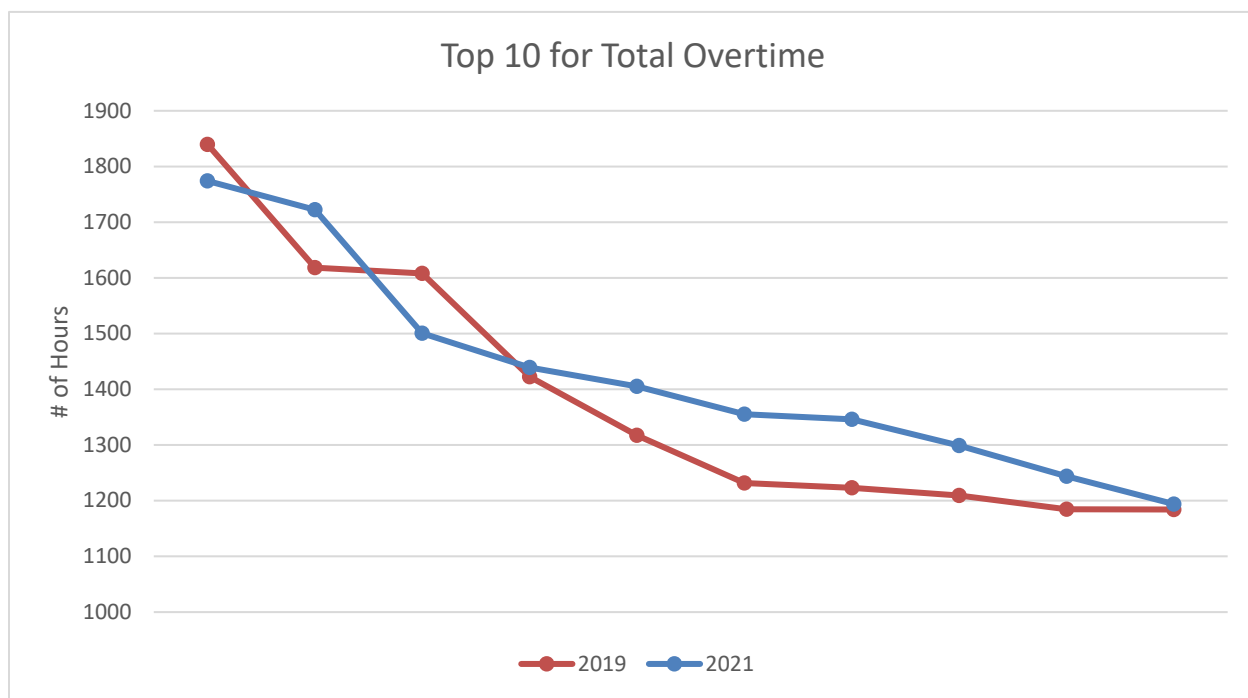
Internal Audit obtained the 2021 annual budget, which MPD broke out between Administration, Office of the Chief, Criminal Investigation Bureau, and Patrol. The budget was further broken out within those bureaus. Actuals were compared with budgets and scorecarding was created by MPD. Areas that were over-budget were asked for explanations. Internal Audit selected a random sample of

five pay periods to test and determined scorecards were created for the five sampled pay periods. Internal Audit concluded there are adequate processes in place over budgeting and monitoring.

	2021 Budget	2021 Actual	(Over)/Under Budget
Admin	\$1,331,314.77	\$1,180,487.17	\$150,827.60
Office of the Chief	\$749,597.89	\$292,872.84	\$456,725.05
CIB	\$4,460,322.72	\$4,352,105.65	\$108,217.07
Patrol	\$10,700,519.65	\$11,318,709.34	(\$618,189.69)
Total	\$17,241,755.03	\$17,144,175.00	\$97,580.03

Overtime Hours for Top 10 Individuals

Observation #3: Total overtime for the top 10 sworn individuals is similar between 2019 and 2021. Several sworn individuals in the top 10 averaged working more than 60 hours per week.





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Richard Bare, CPA
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November 7, 2022


Honorable Mayor Cavalier Johnson
The Members of the Common Council
City of Milwaukee

Dear Mayor and Council Members:

With this letter, the Office of the City Comptroller acknowledges receipt of the preceding report, which communicates the results of the Audit of Milwaukee Police Department Overtime. I have read the report and support its conclusions. Implementation of the stated recommendations will help improve City processes.

As the City Comptroller, I was not involved in any portion of the work conducted in connection with the audit. At all times, the Audit Division worked autonomously in order to maintain the integrity, objectivity, and independence of the audit, both in fact and in appearance.

Sincerely,

for 
Aycha Sawa, CPA, CIA
Comptroller



Milwaukee Police Department

Police Administration Building
749 West State Street
Milwaukee, Wisconsin 53233
<http://www.milwaukee.gov/police>

Jeffrey B. Norman

Chief of Police

(414) 935-7200

November 4, 2022

Mr. Charlie Roedel
Audit Manager
City of Milwaukee
Office of the Comptroller
200 E. Wells St., Room 404
Milwaukee, WI 53202

Dear Mr. Roedel:

The Milwaukee Police Department (MPD) is in receipt of your October 27, 2022 request for a Management Response as it relates to the November 2022 Audit of Milwaukee Police Department Overtime.

While the Audit indicates there were no findings, the Comptroller's Office provided three observations. This response acknowledges the three observations made by the Comptroller's Office that were relayed within the report.

Observation #1: Supervisory levels do not have as stringent of extension of duty controls in place.

MPD acknowledges that due to the payroll card system currently in place, supervisors do not have the same "approval" mechanism in place that exists for officers. However, each district commander has a specified overtime budget and is given regular updates on the status of that budget. The budgetary review allows district commanders to carefully review all overtime, including supervisory overtime, throughout the year.

Observation #2: Court overtime decreased from \$2.5M in 2019 to \$1.1M in 2021 due to a reduced capacity at the courts. MPD Court Administration notes a 10k case backlog, which will have a significant financial impact to resolve.

MPD agrees that efforts to preplan to ensure the appropriate budget is in place to accommodate the court backlog that exists due to COVID is necessary.

Observation #3: Total overtime for the top 10 sworn individuals is similar between 2019 and 2021 with several individuals averaging working more than 60 hours (regular and OT) a week.

MPD acknowledges that review of OT records will always indicate outliers and will regularly review those individuals that have significantly more OT than their peers to ensure that the OT received is appropriate and operationally necessary.

Regards,

JEFFREY NORMAN
CHIEF OF POLICE