

# **Final Audit**

## **Follow-Up**

**As of May 31, 2011**



Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP  
City Auditor

## **StarMetro Staffing of Drivers and Mechanics**

**(Report #0817, Issued August 14, 2008)**

**Report #1117**

**July 27, 2011**

### **Summary**

This is the fourth and final follow-up on the action plan steps originating from the audit of the City's StarMetro Staffing of Drivers and Mechanics (Report #0817) issued on August 14, 2008.

During the audit of StarMetro staffing of drivers and mechanics, we assisted management in developing methodologies to determine staffing needs in the General Transit, Special Transportation, and Garage Divisions and in determining the costs of services for General Transit bus service. We also provided analyses of overtime and temporary wage expenses and provided recommendations toward reducing these expenses in each of the three divisions.

Of the 20 total management action plan steps in the original audit report, 15 were completed during prior follow-up periods. As of May 31, 2011, of the remaining five action plan steps to be completed from the original audit, three steps were completed, one step is in process, and one step is behind schedule. All steps that have not been completed have been turned over to management for their resolution.

In this follow-up report, we updated and analyzed the total personnel costs, salaries, overtime and temporary costs, combined and individually, for the department (Table 1 and Figures 1 and 2) and overtime and temporary expenditures for each of the three divisions (Figures 3-8) for FYs 2005-2011 [Note: FY 2011 expenditures are projected based on actual expenditures during the first six months.]

Based on the first six months of FY 2011, should spending continue at the same pace during the remaining six months, StarMetro is projected to:

- Increase overtime costs by 5% over FY 2010's costs, but still be approximately 27% under budgeted overtime.

- Decrease temporary wages by 1% from FY 2010's costs, but will be 74% over amount budgeted.
- Increase combined overtime and temporary wages costs by 2% from FY 2010 and be 12% over the amounts budgeted for combined overtime and temporary wages costs.
- Decrease salaries by 7% from FY 2010 and be 8% under amount budgeted for salaries. Salary expenditures have consistently been under amounts budgeted during FYs 2005-2011 ranging from 0.5% (FY 2009) to 9% (FY 2005).
- Decrease total personnel costs by 6% from FY 2010 and be 8% less than amount budgeted.

StarMetro management reported changes to operational policies in FY 2009 related to absenteeism and non-driving work time further reduced overtime costs. Alternatively, they also indicated that there was increased need for overtime this year due to the training due to the route changes related to the implementation of Nova2010 initiative.

We estimated that StarMetro's increased use of temporary drivers rather than full-time drivers paid overtime has provided a more cost effective use of StarMetro's budget. For example, we estimated that in FYs 2009 and 2010, StarMetro saved over \$9 for every hour worked by temporary drivers. In FY 2010, temporary drivers earned an average regular rate of \$10.55 vs. full-time driver average overtime rate of \$19.78.

StarMetro management reported being continually challenged by high turnover of temporary drivers and high driver absenteeism. StarMetro management reported that turnover and absenteeism resulted in increased use of combined temporary wages and overtime costs, and that they continue to emphasize the use of temporary wages over the use of overtime.

We commend StarMetro for budgeting more realistically in FY 2010 and for their efforts toward reducing their overtime costs. Management has demonstrated that they are scheduling more cost effectively regarding their use of overtime and temporary wages. However, we continue to encourage management to further examine and address the causes for the continued need for overtime and temporary drivers and overtime for mechanics as the cost for these additional work hours continues to increase.

During this follow-up period, StarMetro completed three of the five remaining action plan steps due. Progress was made on one step and one step is behind schedule. Completed steps included:

- Developing and implementing a method to track the amount of time employees are out of work due to workers' compensation and leave without pay within the StarMetro timekeeping process.
- Developing strategies to minimize workers' compensation, catastrophic leave, leave without pay and safety related accidents in 1) General Transit and 2) Special Transit. (*These are two separate steps.*)

The step to identify timekeeping codes to best track the amount of and reasons for overtime used is partially completed. StarMetro has implemented manual processes within their department, but the Department of Management and Administration (DMA) management still needs to develop and implement additional codes in the City's timekeeping system.

The outstanding step behind schedule is also related to the development and implementation of additional overtime codes in the City's timekeeping system to allow departments to better track reasons for overtime use.

Responsibility for completing the final two steps is being turned over to management for their resolution. We appreciate the full cooperation provided during this audit follow-up from StarMetro and Accounting Services staff.

### ***Scope, Objectives, and Methodology***

We conducted the original audit and this subsequent follow-up audit in accordance with the International

Standards for the Professional Practice of Internal Auditing and 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.

### ***Original Report #0817***

The objectives of the audit, for each of the three StarMetro divisions, were to: 1) provide budgeted and actual personnel and overtime costs and overtime hours paid to full-time and temporary drivers and mechanics during FYs 2004-2007; 2) identify contributing causes for overtime; 3) develop a methodology to measure driver and mechanic productivity and staffing levels for budgeting and planning purposes; 4) provide recommendations to assist StarMetro management obtain savings by reducing overtime; and 5) calculate average costs of services for FYs 2005-2007 and review the processes related to the validity and reliability of the information collected that impacts those average costs.

### ***Report #1117***

This is our fourth and final follow-up on action plan steps identified in audit report #0817. The purpose of this follow-up is to report on the progress and status in completing all action plan steps due in the original audit as of May 31, 2011. To obtain information and assess the status, we interviewed key StarMetro staff, reviewed relevant documentation, and analyzed City financial reports and timekeeping data.

### ***Background and Analysis***

We have conducted two audits and three follow-up audits over the past five years related to staffing and overtime at StarMetro:

- Report #0601, "Inquiry into TALTRAN Overtime" in November 2005.
- Report #0817, "Audit of StarMetro Staffing" in August 2008. [Note: StarMetro was formerly TALTRAN].
- Reports #0916, #1008, and #1021 "Audit Follow-up StarMetro Staffing of Drivers and Mechanics"

in June 2009, January 2010, and August 2010, respectively.

During the 2005 audit, our analyses showed that there were not enough full-time drivers to fill the regularly assigned drive-time (there was a gap of 47,737 hours). We provided alternative methods of filling the gap in hours between scheduled drive hours and available drive hours and recommended that StarMetro conduct an analysis to identify the most cost-effective balance of full-time and temporary drivers with a goal of keeping overtime to a minimum for full-time drivers.

Using the 2005 audit report's analyses, StarMetro submitted an agenda item to the City Commission and was approved 27 additional full-time General Transit drivers to fill the 47,737 hours of needed drive-time. The increase of full-time positions was intended to help reduce the costs for overtime and temporary wages, and operate less costly overall. As seen in Figure 3, combined overtime and temporary wages costs in the General Transit Division decreased between FYs 2005-2008 by 24%. Management reported that General Transit driver hours increased by approximately 13,000 hours during this same period. Then between FY 2008 and FY2011, the General Transit Division has experienced an 18% increase in combined overtime and temporary wages costs.

After the approved driver positions were added to the budget, overtime continued to be heavily utilized in FY 2007. Some reasons for the continued heavy use included the time it takes to hire and train new drivers and continued difficulties related to driver retention. Then, in FY 2008, overtime expenses began a steady decline and temporary wages began a steady incline through FY 2010.

In this follow-up report, we updated and analyzed the total personnel costs, salaries, overtime and temporary costs, combined and individually, for the department (Table 1 and Figures 1 and 2) and for each of the three divisions (Figures 3-8) for FYs 2005-2011 [Note: FY 2011 expenditures are projected based on actual expenditures during the first six months.]

### StarMetro Department

Table 1, on the next page, provides a comparison of budget to actual expenditures for FYs 2005-2011 (FY 2011 is projected), and the percent differences for the personnel services, salaries, overtime, and

temporary wages. Overall, related to budgeting, StarMetro's work with the Budget Division preparing the FY 2010 budget, resulted in a more realistic budget for combined overtime and temporary wages. The actual combined overtime and temporary wages expenses in FY 2010 were within 10% of amount budgeted.

Table 1 shows the following highlights in FY 2010:

- Actual overtime costs decreased by 21%, while temporary wages costs increased by 29%, resulting in 4% increase for the combined overtime and temporary wages costs.
- Total personnel costs increased by 1% and were 3% over the amount budgeted.
- Combined salaries, temporary wages, and overtime expenditures decreased by 1% and were within 1% of the amount budgeted.

If spending continues at the same pace for the last six months of FY 2011, we project:

- Overtime costs will increase by 5% over FY 2010's costs and will be 27% less than the amount budgeted.
- Temporary wages will decrease by 1%, from FY 2010's costs and will be 74% over the amount budgeted.
- Combined overtime and temporary wages costs will increase by 2% over FY 2010's costs, and will be 12% over the amount budgeted.
- Salaries will be 7% less than in FY 2010 and 8% less than the amount budgeted. Salaries expenditures have consistently been under amounts budgeted during FYs 2005-2010 ranging from 0.5% (FY 2009) to 9% (FY 2005).
- Total personnel costs will be 6% less than FY 2010 and 8% less than the amount budgeted.

In prior years, actual expenses for overtime and temporary wages were much higher than budgeted. The FY 2010 and FY 2011 budgets for StarMetro show that overtime and temporary wages were increased based on prior years' expenditures. While there are still large differences between actual and budgeted expenditures for overtime and temporary wages individually (30% and 76%, respectively in FY 2010), the combined amounts are much more realistic and provide improved information for City Commission consideration during the budget review process.

**Table 1**  
**StarMetro Department (includes all divisions) FY 2005 - 2011 Total Personnel, Salaries, Overtime,**  
**and Temporary Budget to Actual or Projected Expenditures (1)**

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011 Projected (1)
Salaries Budget	\$4,426,182	\$4,579,855	\$5,494,332	\$5,485,227	\$5,536,156	\$5,455,692	\$5,530,315
Salaries Actual	\$4,040,181	\$4,296,340	\$5,050,362	\$5,225,752	\$5,509,427	\$5,415,675	\$5,061,758
<b>Difference</b>	<b>(\$386,001)</b>	<b>(\$283,515)</b>	<b>(\$443,970)</b>	<b>(\$259,475)</b>	<b>(\$26,729)</b>	<b>(\$40,017)</b>	<b>(\$468,557)</b>
<b>% Diff from budgeted</b>	<b>-9%</b>	<b>-6%</b>	<b>-8%</b>	<b>-5%</b>	<b>0%</b>	<b>-1%</b>	<b>-8%</b>
<b>% Diff from Prior Year Actual Expenditures</b>	n/a	<b>6%</b>	<b>18%</b>	<b>3%</b>	<b>5%</b>	<b>-2%</b>	<b>-7%</b>
OT Budget	\$292,981	\$433,466	\$154,873	\$229,776	\$239,341	\$752,779	\$752,779
OT Actual	\$689,017	\$795,032	\$1,085,481	\$811,718	\$663,068	\$523,304	\$550,692
<b>Difference</b>	<b>\$396,036</b>	<b>\$361,566</b>	<b>\$930,608</b>	<b>\$581,942</b>	<b>\$423,727</b>	<b>(\$229,475)</b>	<b>(\$202,087)</b>
<b>% Diff from budgeted</b>	<b>135%</b>	<b>83%</b>	<b>601%</b>	<b>253%</b>	<b>177%</b>	<b>-30%</b>	<b>-27%</b>
<b>% Diff from Prior Year Actual Expenditures</b>	n/a	<b>15%</b>	<b>37%</b>	<b>-25%</b>	<b>-18%</b>	<b>-21%</b>	<b>5%</b>
Temporary Budget	\$213,590	\$431,400	\$62,349	\$104,849	\$62,349	\$471,780	\$471,780
Temporary Actual	\$632,765	\$558,412	\$316,397	\$411,521	\$641,129	\$829,086	\$822,178
<b>Difference</b>	<b>\$419,175</b>	<b>\$127,012</b>	<b>\$254,048</b>	<b>\$306,672</b>	<b>\$578,780</b>	<b>\$357,306</b>	<b>\$350,398</b>
<b>% Diff from budgeted</b>	<b>196%</b>	<b>29%</b>	<b>407%</b>	<b>292%</b>	<b>928%</b>	<b>76%</b>	<b>74%</b>
<b>% Diff from Prior Year Actual Expenditures</b>	n/a	<b>-12%</b>	<b>-43%</b>	<b>30%</b>	<b>56%</b>	<b>29%</b>	<b>-1%</b>
Combined Temp & OT Budget	\$506,571	\$864,866	\$217,222	\$334,625	\$301,690	\$1,224,559	\$1,224,559
Combined Temp & OT Actual	\$1,321,782	\$1,353,444	\$1,401,878	\$1,223,239	\$1,304,197	\$1,352,389	\$1,372,870
<b>Combined Difference</b>	<b>\$815,211</b>	<b>\$488,578</b>	<b>\$1,184,656</b>	<b>\$888,614</b>	<b>\$1,002,507</b>	<b>\$127,830</b>	<b>\$148,311</b>
<b>% Diff from budgeted</b>	<b>161%</b>	<b>56%</b>	<b>545%</b>	<b>266%</b>	<b>332%</b>	<b>10%</b>	<b>12%</b>
<b>% Diff from Prior Year Actual Expenditures</b>	n/a	<b>2%</b>	<b>4%</b>	<b>-13%</b>	<b>7%</b>	<b>4%</b>	<b>2%</b>
Combined Salaries, Temp & OT Budget	\$4,932,753	\$5,444,721	\$5,711,554	\$5,819,852	\$5,837,846	\$6,680,251	\$6,754,874
Combined Salaries, Temp & OT Actual	\$5,361,963	\$5,649,784	\$6,452,239	\$6,448,991	\$6,813,623	\$6,768,065	\$6,434,627
<b>Combined Difference</b>	<b>\$429,210</b>	<b>\$205,063</b>	<b>\$740,685</b>	<b>\$629,139</b>	<b>\$975,777</b>	<b>\$87,814</b>	<b>(\$320,247)</b>
<b>% Diff from budgeted</b>	<b>9%</b>	<b>4%</b>	<b>13%</b>	<b>11%</b>	<b>17%</b>	<b>1%</b>	<b>-5%</b>
<b>% Diff from Prior Year Actual Expenditures</b>	n/a	<b>5%</b>	<b>14%</b>	<b>0%</b>	<b>6%</b>	<b>-1%</b>	<b>-5%</b>
Total Personnel Budget	\$6,617,283	\$7,216,524	\$7,894,934	\$8,188,621	\$8,277,581	\$8,872,124	\$9,290,596
Total Personnel Actual	\$7,009,374	\$7,352,795	\$8,494,228	\$8,706,613	\$9,066,772	\$9,115,147	\$8,574,084
<b>Difference</b>	<b>\$392,091</b>	<b>\$136,271</b>	<b>\$599,294</b>	<b>\$517,992</b>	<b>\$789,191</b>	<b>\$243,023</b>	<b>(\$716,512)</b>
<b>% Diff from budgeted</b>	<b>6%</b>	<b>2%</b>	<b>8%</b>	<b>6%</b>	<b>10%</b>	<b>3%</b>	<b>-8%</b>
<b>% Diff from Prior Year Actual Expenditures</b>	n/a	<b>5%</b>	<b>16%</b>	<b>3%</b>	<b>4%</b>	<b>1%</b>	<b>-6%</b>

Source: City financial accounting reports.

Notes (1): FY2011 amounts are projected, based on six months of actual costs x 2. This assumes that spending will be the same during the last six months as it was during the first six months.

(2): This table does not include the costs for benefits; therefore the amounts will not sum to total personnel costs.

Figure 1 shows that total personnel costs for StarMetro have steadily increased an average of 6% between FY 2005 and FY 2010. For FY 2011, total personnel costs are projected to decrease by 6%.

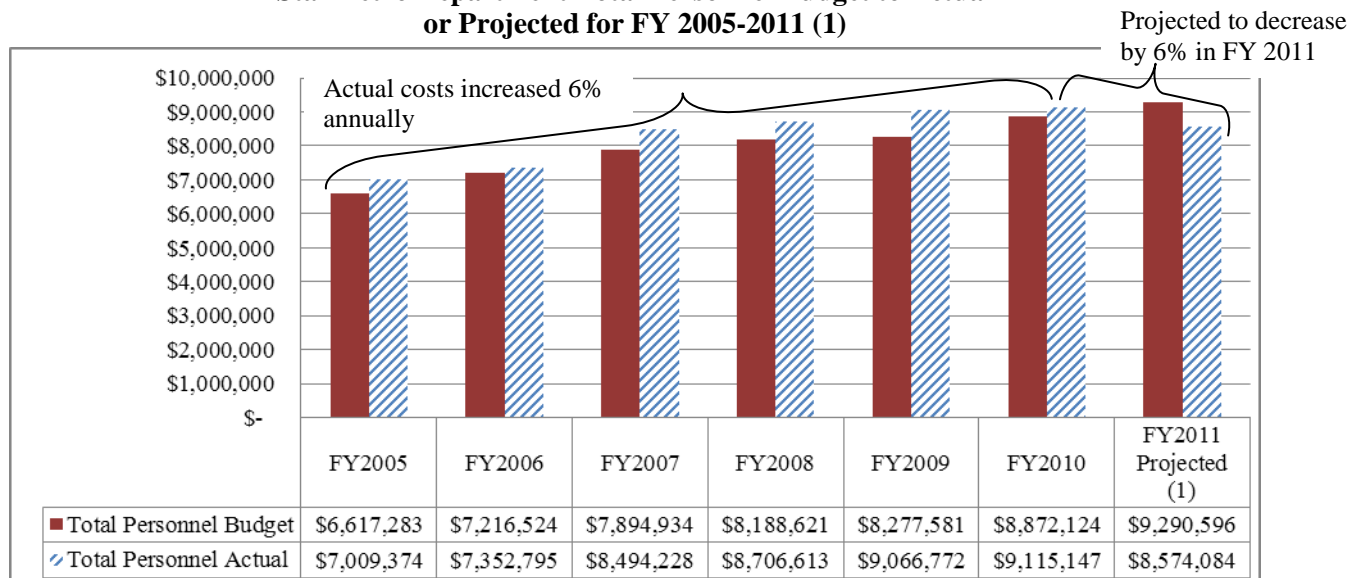
Figure 2 shows that after experiencing a 13% decrease in combined overtime and temporary costs from FY 2007 to FY 2008, StarMetro’s combined overtime and temporary costs have increased consistently each year (from \$1,223,239 in FY2008 to a projected \$1,372,870 in FY 2011, or 12% over 4 fiscal years).

StarMetro management reported the reasons for the increase in combined overtime and temporary wages include: increased training of drivers related to the Nova2010 initiative, drivers on vacation, sick leave,

catastrophic leave, workers' compensation, or leave without pay; and difficulties related to the vacancy rate, driver retention, and adequate recruitment of qualified drivers.

Figure 3 shows that StarMetro management has continued to pay for services in a more effective manner utilizing temporary wages more than paying overtime wages. Our analyses in FY 2010 supported this by finding that temporary drivers earned an average regular rate of \$10.55 vs. full-time driver average overtime rate of \$19.78. This difference shows it is much more cost effective to utilize temporary workers for additional driver hours needed vs. paying full-time drivers overtime.

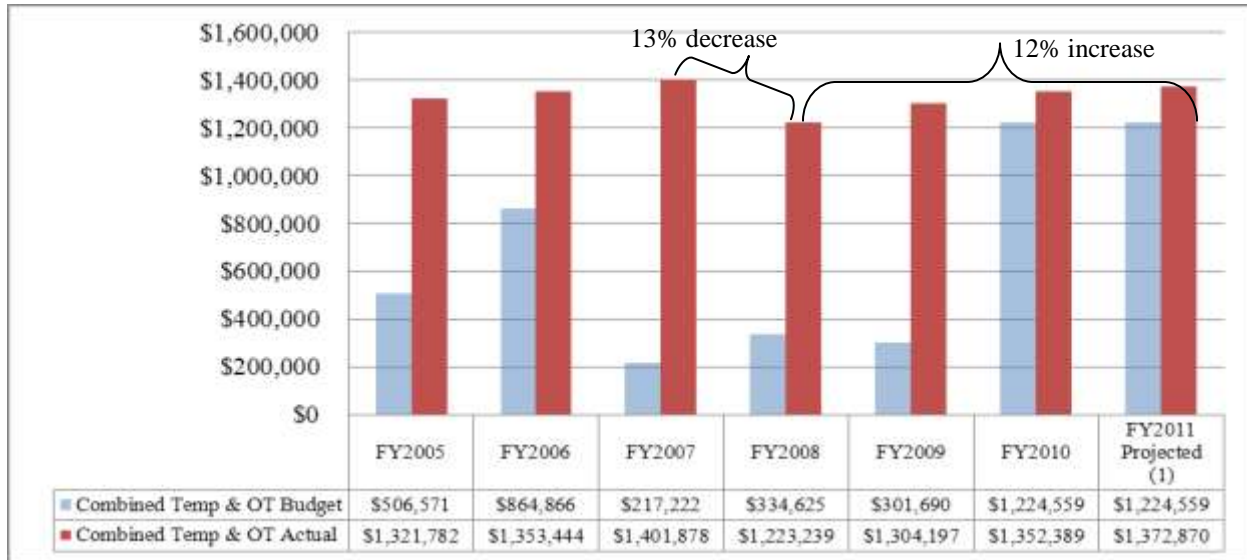
**Figure 1**  
**StarMetro Department Total Personnel Budget to Actual**  
**or Projected for FY 2005-2011 (1)**



Source: City financial reports

Note (1): FY2011 amounts are projected, based on six months of actual costs x 2. This assumes that spending will be the same during the last six months as it was during the first six months.

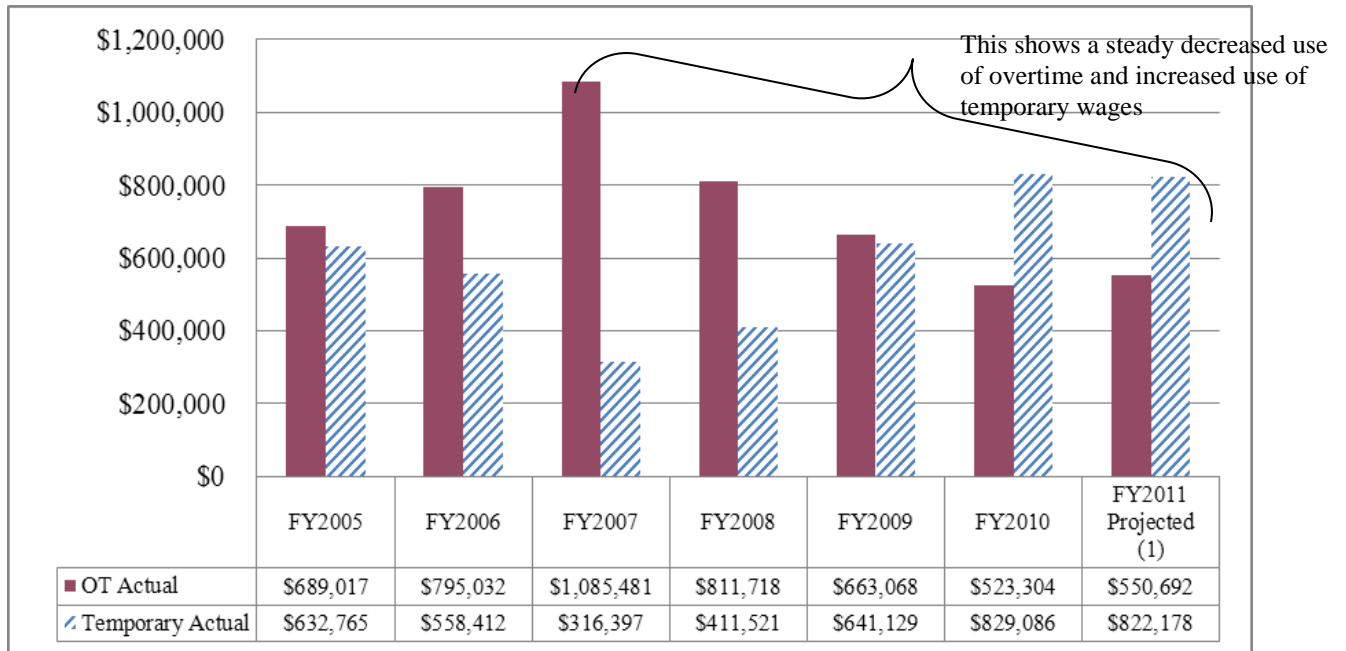
**Figure 2**  
**StarMetro Department Combined Temporary and Overtime Budget to Actual or Projected for FY 2005-2011 (1)**



Source: City financial reports

Note (1): FY2011 amounts are projected, based on six months of actual costs x 2. This assumes that spending will be the same during the last six months as it was during the first six months.

**Figure 3**  
**StarMetro Overtime and Temporary Wages for FY 2005-2011(1)**



Source: City financial reports

Note (1): FY2011 amounts are projected, based on 6 months of actual costs x 2. This assumes that spending will be the same during the last six months as it was during the first six months



**StarMetro General Transit Division**

The General Transit Division encompasses the bulk of the driving services for StarMetro, and therefore expends the majority of the temporary wages and overtime costs. Figure 4 shows the Division’s budget for combined overtime and temporary costs was increased to a more realistic amount, from \$83,374 in FY 2009 to \$776,687 in FYs 2010 and 2011. Figure 4 also shows that combined overtime and temporary costs continue to increase. While combined overtime and temporary wages costs decreased steadily (a total of 24%) from FY2005 to FY2008, the combined costs steadily increased a total of 13% to \$880,000 in FY 2010, and is projected to increase a total of 18% from FY 2008 to FY 2011.

General Transit management reported that they are closely monitoring overtime and temporary costs. In order to be more cost effective, they continue to try to utilize temporary drivers as much as possible before assigning overtime to full-time drivers. This is supported by the consistent decrease in overtime and increase in temporary wages in FYs 2008 – FY 2010 (shown in Table 5). However, management is aware of the upcoming challenge to control costs over the remainder of FY 2011 to be below the projected increase in overtime use in FY2011.

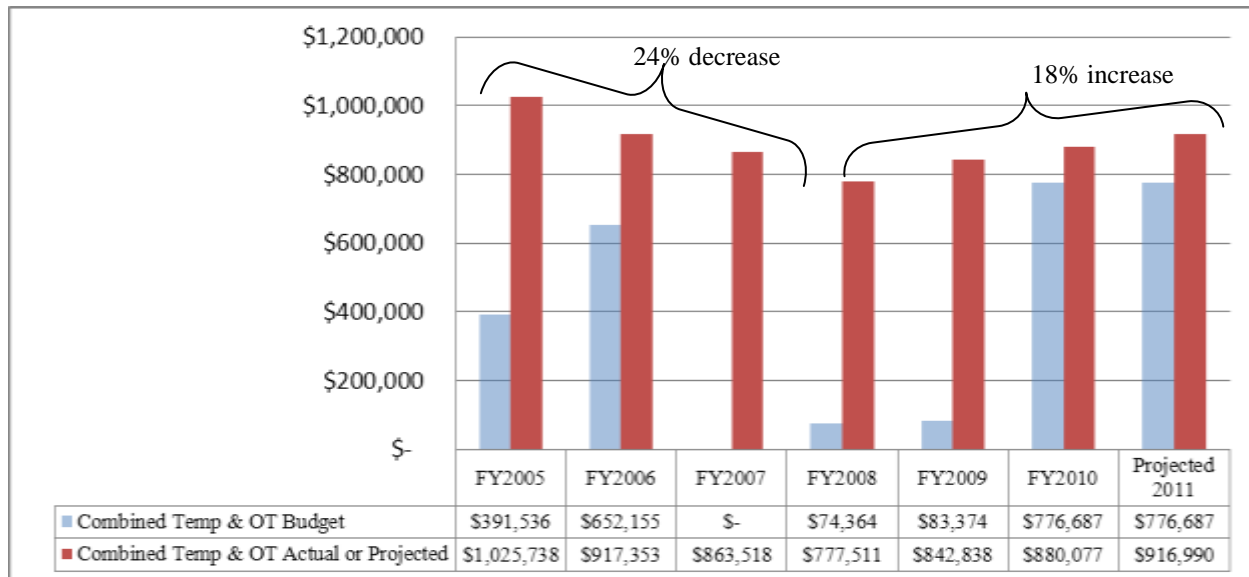
To decrease the use of overtime during FY 2008 through FY2010, management reported that they changed operational policies eliminating some non-driving work time, such as time for employees to obtain physicals (employees are required to get physicals on their own time), driver meetings, and reduced travel time to assignments.

In FY2011, StarMetro management reported the increased use of temporary wages and overtime was due to increased training during the implementation of the Nova2010 transit system, which involved changing bus routes throughout the City.

Management has demonstrated they are scheduling more cost effectively regarding their use of overtime and temporary wages by the increased usage of temporary drivers and the decreased use of overtime. Supervisors have identified the key causes for needed overtime and temporary driver hours, and have implemented processes within the department to track the causes for the need for driver overtime.

As reported earlier, some of the key causes for driver overtime include: increased training of drivers related to the Nova2010 initiative, drivers on vacation, sick leave, catastrophic leave, workers' compensation, or leave without pay; and difficulties related to the vacancy rate, driver retention and adequate recruitment of qualified drivers.

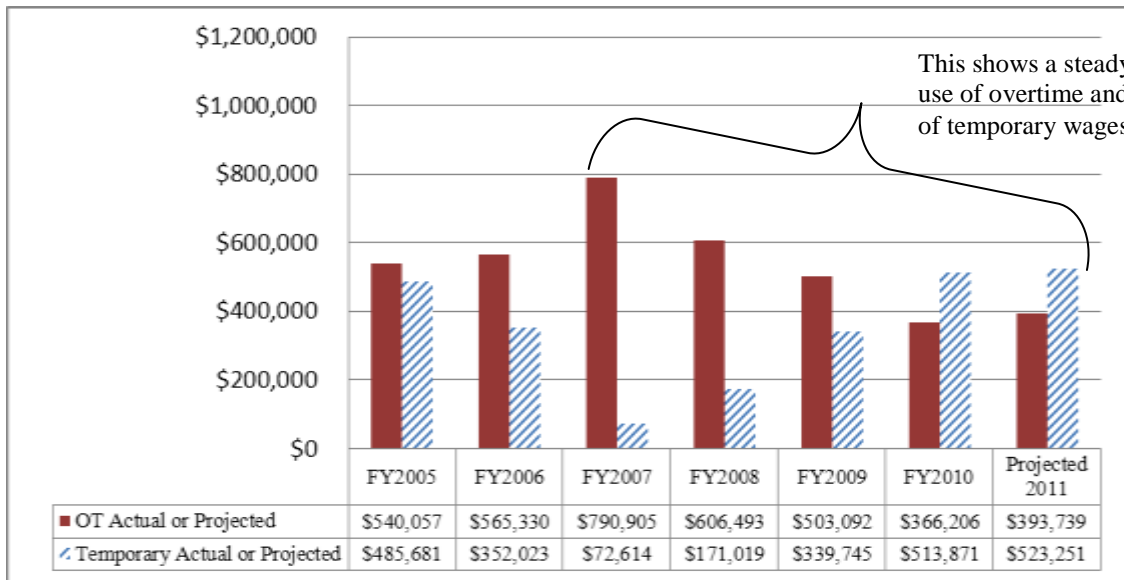
**Figure 4**  
**StarMetro General Transit Combined Temporary and Overtime Budget to Actual or Projected for FY 2005-2011 (1)**



Source: City financial reports

Note (1): FY2011 amounts are projected, based on six months of actual costs x 2. This assumes that spending will be the same during the last six months as it was during the first six months.

**Figure 5**  
**StarMetro General Transit Overtime and Temporary Wages for FY 2005–FY 2011 (1)**



Source: City financial reports

Note (1): FY2011 amounts are projected, based on six months of actual costs x 2. This assumes that spending will be the same during the last six months as it was during the first six months.

**StarMetro Garage Division**

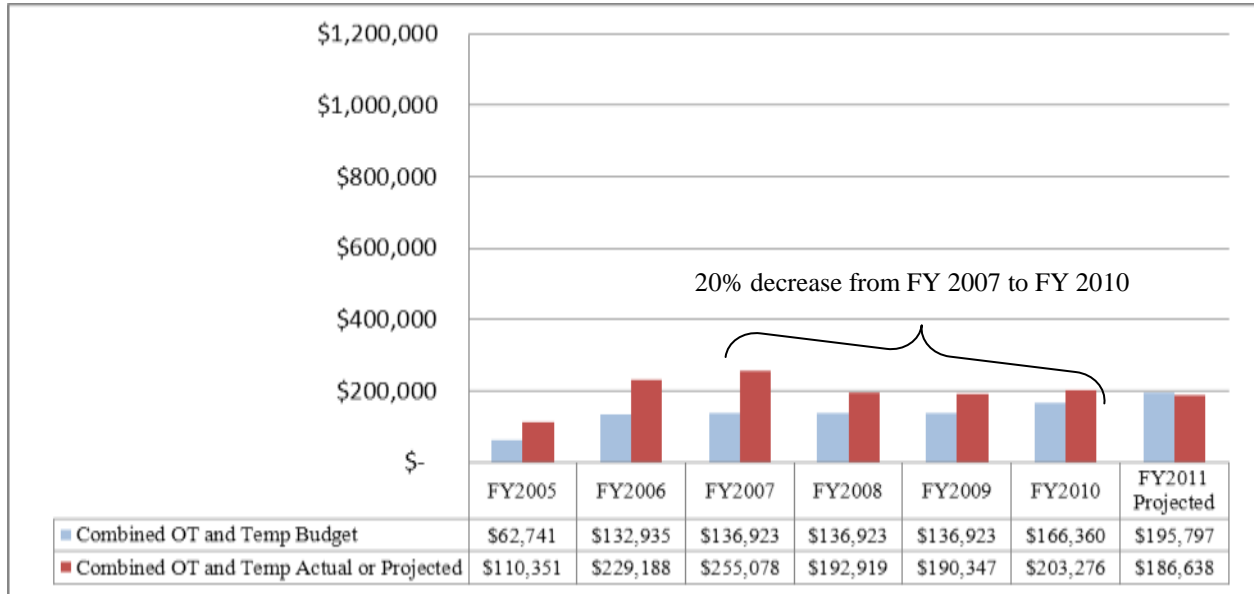
For the Garage Division, Figure 6 shows that combined overtime and temporary wages costs decreased an overall 20% from FY 2007 to FY 2010 (\$255,078 to \$203,276). For FY 2011, if spending continues at the same pace for the last six months of FY2011, the combined overtime and temporary wages costs are budgeted to be \$195,797 and we projected actual costs to be \$186,638.

To help minimize overtime, garage supervisors indicated they are continuing to monitor mechanic productivity closely and utilize temporary workers in building maintenance as much as possible before assigning overtime to keep the combined overtime and temporary wages costs as low as possible.

Figure 7 shows that independently, temporary wages and overtime increased from FY 2009 to FY 2010 11% and 5% respectively (from \$60,662 to \$67,310 and \$129,685 to \$135,966). If spending continues at the same pace for the last six months of FY 2011, we project temporary wages cost to decrease by 15% and overtime to decrease by 5% (to \$57,283 and \$129,355, respectively). Garage supervisors previously reported that the need for overtime is always higher during the universities’ school year and is lower during the summer months, so the costs should not be more than projected.



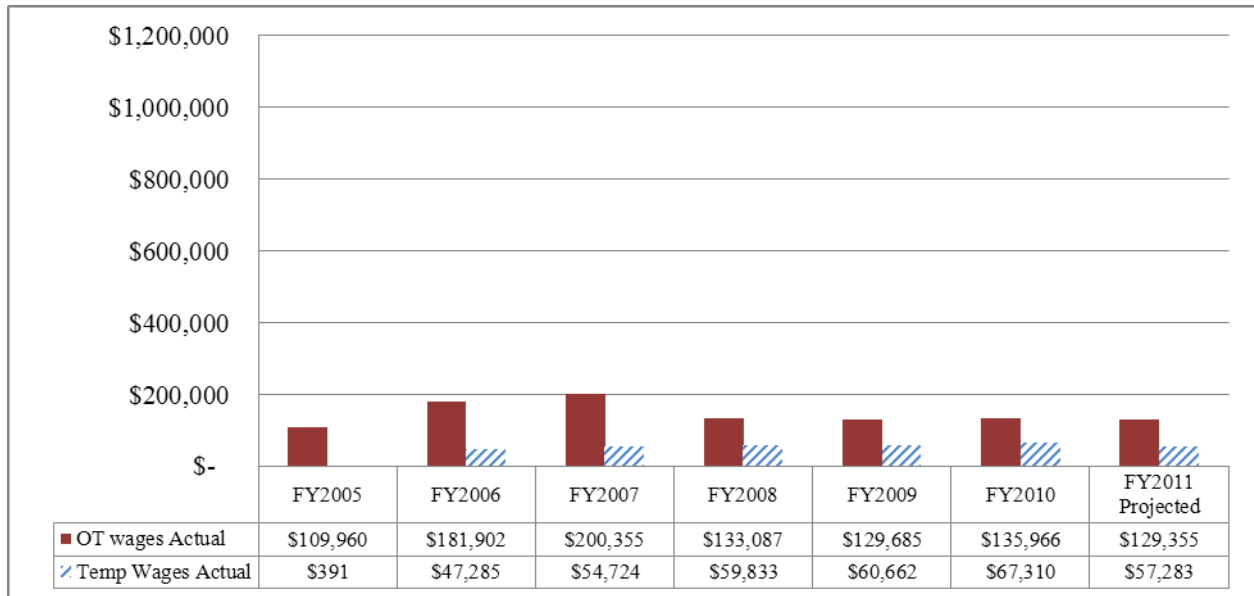
**Figure 6**  
**Garage Combined Temporary and Overtime Budget to Actual or Projected for FY 2005-2011 (1)**



Source: City financial reports

Note (1): FY2011 amounts are projected, based on six months of actual costs x 2. This assumes that spending will be the same during the last six months as it was during the first six months.

**Figure 7**  
**Garage Overtime and Temporary Wages for FY 2005-2011 (1)**



Source: City financial reports

Note (1): FY2011 amounts are projected, based on six months of actual costs x 2. This assumes that spending will be the same during the last six months as it was during the first six months.

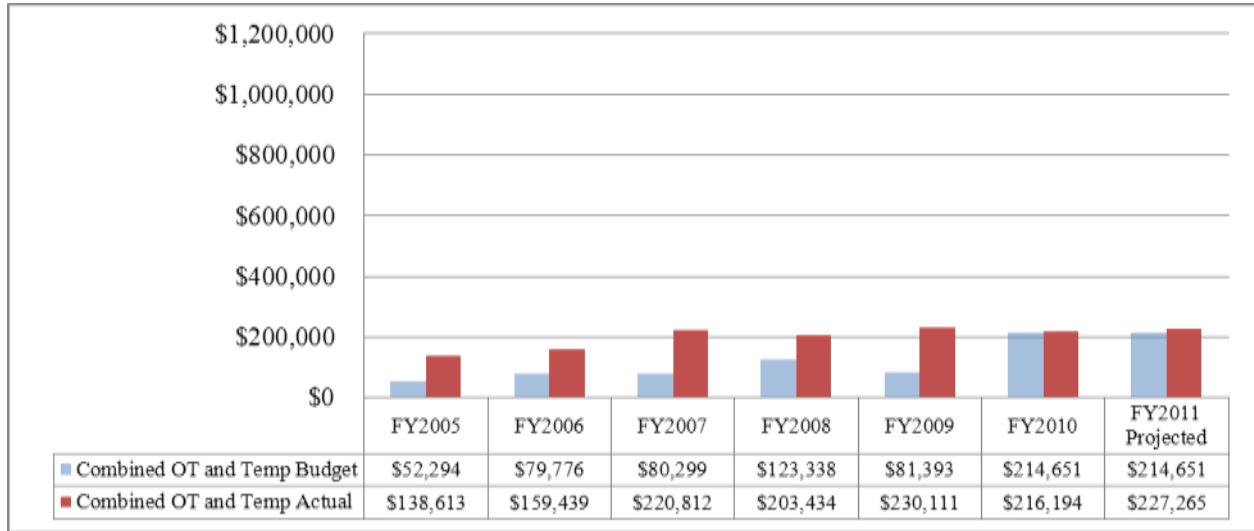
**StarMetro Special Transit (Dial-A-Ride) Division**

For the Special Transit Division, Figure 8 shows that the amounts budgeted for combined overtime and temporary costs for FYs 2010 and FY 2011 were and are projected to be very close to actual costs. If spending continues at the same rate for the remainder of FY 2011, combined overtime and temporary wages

costs will increase 5% from FY 2010 (\$227,265 - \$216,194) and will be 6% more than amount budgeted (\$227,265 - \$214,651).

Figure 9 shows that the Special Transit Division has consistently been able to utilize temporary drivers to minimize overtime.

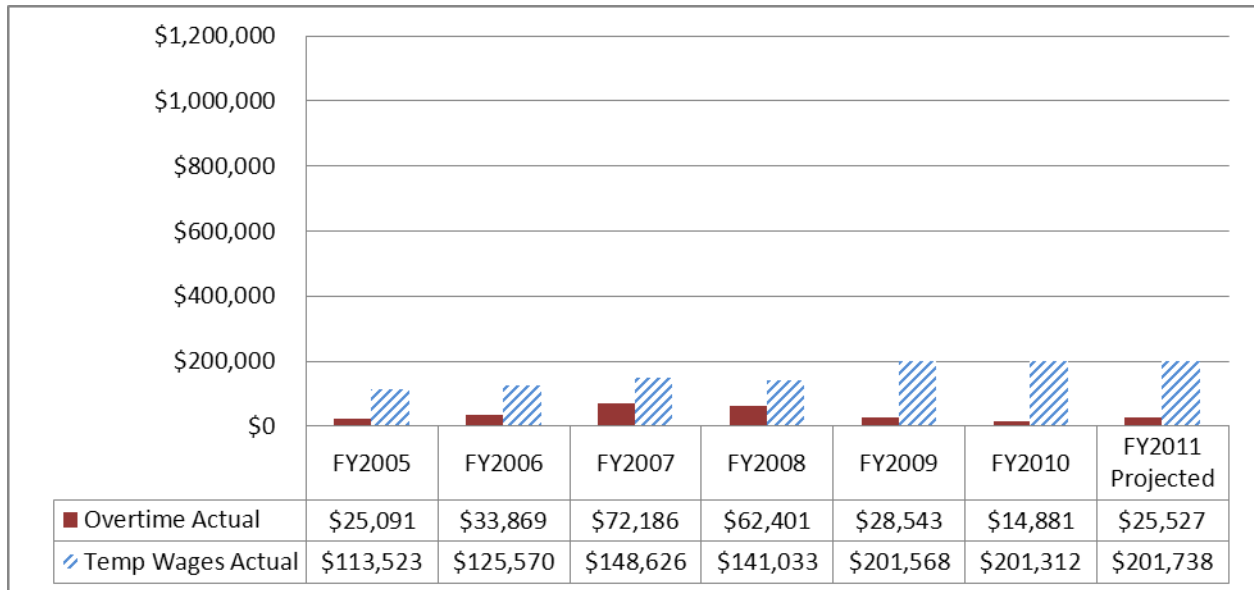
**Figure 8  
Special Transit Combined Temporary and Overtime Budget to Actual or Projected for FY 2005-2011 (1)**



Source: City financial reports

Note (1): FY2011 amounts are projected, based on six months of actual costs x 2. This assumes that spending will be the same during the last six months as it was during the first six months.

**Figure 9  
Special Transit Overtime and Temporary Wages for FY 2005-2011 (1)**



Source: City financial reports

Note (1): FY2011 amounts are projected, based on six months of actual costs x 2. This assumes that spending will be the same during the last six months as it was during the first six months.

In summary, the key divisions in StarMetro (General Transit, Garage, and Special Transit) report they are continuing their efforts to reduce overtime costs by revising policies and procedures and scheduling temporary drivers to fill in when needed rather than using full-time drivers at overtime rates. If spending continues at the same pace for the last six months of FY 2011, total personnel costs for StarMetro are projected to be 6% less than in FY 2010, and 8% less than amount budgeted.

overtime and workers' compensation costs, improving their ability to track and monitor reasons for overtime, workers' compensation, and leave without pay, and improving the validity and reliability of information used in management calculations of costs of services.

To address areas that needed improvement, management developed 20 action plan steps. All steps were originally targeted to be completed between August 1, 2008, and March 31, 2009. Of these 20 steps, 15 steps were completed in prior follow-up periods, three steps were completed during this follow-up period, one step is in process, and one step remains behind schedule. Table 2 provides a summary of management's action plan steps and their current status.

**Previous Conditions and Current Status**

In report #0817, we provided recommendations to the General Transit, Garage, and Special Transit Divisions at StarMetro toward reducing annual

**Table 2  
Action Plan Steps from Report #0817  
Due as of May 31, 2011, and Current Status**

Action Plan Steps Due As of May 31, 2010	Current Status
<b>To better track overtime worked on holidays and type of leave taken</b>	
<ul style="list-style-type: none"> <li>• Work with Payroll staff to obtain an understanding of the overtime codes available in the City's timekeeping system that can be incorporated into StarMetro's timekeeping practices to better track reasons for overtime.</li> </ul>	<ul style="list-style-type: none"> <li>o <b>Behind Schedule. No change in status from the prior report.</b> Since the issuance of the prior report a team consisting of staff from the Information Systems and Services Division and the Accounting Services Division attended updated PeopleSoft training on the PeopleSoft Time and Labor module. The team has prepared a report with a recommendation that will be presented to the FMS/HRMS Steering Committee by the end of August for their review and decision. DMA staff is also evaluating alternatives other than the PeopleSoft Time and Labor module to improve the tracking of time.</li> </ul> <p><u>Audit Comment:</u> Identifying and tracking overtime costs by the reasons for overtime is helpful in assisting management plan and budget accordingly so as to minimize the need for and use of overtime. We continue to recommend that management over payroll develop and implement an automated methodology for tracking the reasons for overtime in the timekeeping system. Until that can occur, StarMetro staff has implemented a manual method of tracking some reasons for overtime and other types of leave (i.e., Leave Without Pay, Military leave, Workers Compensation, suspension) not currently tracked in the City's time and attendance system (see below).</p>

<ul style="list-style-type: none"> <li>Determine which timekeeping codes are most appropriate to use for tracking overtime and implement the use of the timekeeping codes to better track reasons for overtime at StarMetro.</li> </ul>	<ul style="list-style-type: none"> <li><b>Partially Completed.</b> StarMetro staff reported that they made changes to their scheduling and policies to reduce the need for some overtime, such as reducing the required meetings drivers must attend and paying overtime when drivers obtained their physicals. Additionally, staff has implemented a manual method to track the reasons for overtime and leave without pay. Until the City implements a way to track these types of leave through the time and attendance system, StarMetro staff will need to continue tracking this information manually for management’s review and use.</li> </ul> <p><u>Audit Comment:</u> We noted during our follow up review, that StarMetro staff is tracking some of the reasons for overtime. We continue to recommend that management review and understand the reasons overtime is used so as to develop management practices to try to minimize staff’s use.</p>
<ul style="list-style-type: none"> <li>Develop and implement a method for tracking the amount of time employees are out of work due to workers’ compensation and/or leave without pay.</li> </ul>	<p>√ <b>Completed.</b> StarMetro staff has developed an in house tracking process using their existing timekeeping system and excel spreadsheets to track LWOP, WC and Catastrophic Leave weekly. Until the City implements a way to track these types of leave through the time and attendance system, StarMetro staff will need to continue tracking this information for management manually.</p>
<p><b>To increase the efficiency and accuracy of bus routing and driver scheduling</b></p>	
<ul style="list-style-type: none"> <li>Include all scheduled and assigned driver routes in regular assignment schedules.</li> </ul>	<p>√ <b>Completed in a prior period.</b></p>
<ul style="list-style-type: none"> <li>Account for all known additional events (special events, charters, and football games) in the appropriate schedules to plan for drivers and minimize overtime.</li> </ul>	<p>√ <b>Completed in a prior period.</b></p>
<ul style="list-style-type: none"> <li>Develop a methodology to predict vacancies and leave for better budgeting of temporary and overtime costs.</li> </ul>	<p>√ <b>Completed in the prior period.</b></p>
<ul style="list-style-type: none"> <li>Work with City Safety Manager and Risk Management staff to develop strategies to minimize workers’ compensation, catastrophic leave, leave without pay, and safety related accidents and incidents in General Transit Division.</li> </ul>	<p>√ <b>Completed.</b> On May 11, 2011, StarMetro management met with staff from Human Resources, Safety, and Risk Management to discuss what reports would help provide StarMetro workers’ compensation and accident claims information to assist management in identifying trends related to safety issues so they could be addressed by management.</p> <p><u>Audit Comment:</u> The reports to be provided by Risk Management and Safety should assist StarMetro management identify safety related trends. We commend staff from all departments in working together to develop strategies to minimize workers’</p>

	compensation, catastrophic leave, leave without pay, and safety related accidents and incidents in General Transit Division.
<ul style="list-style-type: none"> <li>• Work with City Safety Manager and Risk Management staff to develop strategies to minimize workers' compensation, catastrophic leave, leave without pay, and safety related accidents and incidents in Special Transportation Division.</li> </ul>	√ <b>Completed. Same as above</b>
<ul style="list-style-type: none"> <li>• Develop strategies in General Transit to maximize utilization of temporary drivers and processes to regularly measure the strategies' effectiveness.</li> </ul>	√ <b>Completed in a prior period.</b>
<ul style="list-style-type: none"> <li>• Develop strategies in Special Transportation to maximize utilization of temporary drivers and processes to regularly measure the strategies' effectiveness.</li> </ul>	√ <b>Completed in a prior period.</b>
<b>To be able to determine work productivity of mechanics and evaluate mechanic staffing</b>	
<ul style="list-style-type: none"> <li>• Develop and implement processes to capture how mechanic work time is spent including, but not limited to, preventative maintenance, repairs, road calls, bus startup support, meetings, training, cleanup, etc.</li> </ul>	√ <b>Completed in a prior period.</b>
<b>To improve the reliability and validity of data collection and reporting of transit user and cost information</b>	
<ul style="list-style-type: none"> <li>• Ensure that all staff responsible for collecting and submitting the NTD information receives appropriate training to understand the data requirements and definitions.</li> </ul>	√ <b>Completed in a prior period.</b>
<ul style="list-style-type: none"> <li>• Document the methodology for collecting, calculating, and reporting transit data so it can be applied consistently from year to year.</li> </ul>	√ <b>Completed in the prior period.</b>
<ul style="list-style-type: none"> <li>• Develop, implement, and document quality assurance processes to validate the information collected and reported.</li> </ul>	√ <b>Completed in the prior period.</b>
<ul style="list-style-type: none"> <li>• Budget Division and StarMetro management evaluate the performance measure information being provided to the Budget Division to ensure that the information is correctly calculated for the applied performance measure.</li> </ul>	√ <b>Completed in the prior period.</b>
<ul style="list-style-type: none"> <li>• Standardize and document the processes to transfer data from the buses to the information system, either through automation or standardization to ensure that the information is complete and accurate.</li> </ul>	√ <b>Completed in a prior period.</b>
<ul style="list-style-type: none"> <li>• Assign and train a backup person to perform the data transfer procedures from the buses to the information system should the primary staff not be available to perform the transfer tasks.</li> </ul>	√ <b>Completed in a prior period.</b>

<ul style="list-style-type: none"> <li>Establish and implement quality assurance procedures to ensure that the fare box system's data is accurate and all cash is properly accounted for and properly recorded.</li> </ul>	✓ <b>Completed in the prior period.</b>
<b>To improve the on-going monitoring of budgeted to actual expenditures</b>	
<ul style="list-style-type: none"> <li>Implement procedures to regularly monitor budgeted to actual expenditures and take management actions when actual expenditures exceed or will exceed budgeted categories.</li> </ul>	✓ <b>Completed in the prior period.</b>
<ul style="list-style-type: none"> <li>Evaluate the possibility of obtaining or converting an existing position into an Administrative Supervisor or Administrative Manager position.</li> </ul>	✓ <b>Completed in a prior period.</b>

**Table Legend:**

- Issue addressed in the original audit
- ✓ Completed
- Behind schedule
- ◆ In process

***Conclusion***

As described in detail in Table 2, of the total 20 action plan steps due in the original audit, 15 steps were previously completed, three steps were completed during this period, one step is partially completed and one step is behind schedule. Responsibility for completing the final two steps is being turned over to management for their resolution.

We commend StarMetro for their continued efforts toward reducing their overtime costs. Management has demonstrated that they are scheduling more cost effectively regarding their increased utilization of temporary drivers and decreased use of overtime. We continue to encourage management to further examine and address the causes for the continued need for overtime and temporary drivers and overtime for mechanics as the cost for these additional work hours continues to increase.

We appreciate the full cooperation provided during this audit follow-up from StarMetro and Accounting Services staff.

***Appointed Official's Response***

**City Manager:**

We appreciate the information and assistance provided by the City Auditor and his staff in the July 06, 2011, audit follow up for StarMetro Staffing. The audit recognized a number of improvements made since the July 17, 2010 Report. With these changes and improvements realized throughout the process, StarMetro will be able to better track overtime and do enhanced analysis to continually monitor and restrict overtime usage. StarMetro staff will continue to work with the Budget Office to improve this process.



Copies of this audit follow-up #1117 or audit report #0817 may be obtained from the City Auditor's website (<http://www.talgov.com/auditing/auditreports.cfm>) or via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (Office of the City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail ([auditors@talgov.com](mailto:auditors@talgov.com)).

Audit follow-up conducted by:  
Beth Breier, CPA, CISA, Audit Manager  
Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP, City Auditor