

**Los Angeles County
Metropolitan Transportation Authority
Office of the Inspector General**

**Audit of Overtime Controls for
Metro Transit Security Officers and
Security Control Specialists**

Report No. 26-AUD-06

March 17, 2026



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Metro

**Los Angeles County
Metropolitan Transportation Authority**

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DATE: March 17, 2026

TO: Metro Board of Directors
Metro Chief Executive Officer

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Office of the Inspector General

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on 2026-03-17 11:57:29 PDT

SUBJECT: Final Report on Audit of Overtime Controls for Metro
Transit Security Officers and Security Control Specialists (Report No. 26-AUD-06)

EXECUTIVE SUMMARY

The Office of the Inspector General (OIG) conducted an audit of overtime controls for Metro Transit Security Officers (TSOs) and Security Control Specialists (SCSs). The objective of the audit was to assess whether overtime was properly authorized, accurately recorded, and compensated in accordance with applicable policies, labor agreements, and budgetary requirements. The audit was performed as part of OIG's oversight responsibilities to promote accountability, safety, integrity, and efficiency in Metro operations.

The audit focused on overtime administration and timekeeping practices within Metro Transit Security for Fiscal Years 2024 and 2025. OIG reviewed applicable policies and procedures and analyzed overtime usage, expenditures, and selected compliance with collective bargaining agreement provisions and operational requirements related to overtime and meal breaks.

The audit found that overall, overtime controls for TSOs and SCSs were generally adequate and operated largely as intended. Policies and procedures governing overtime were in place, and timekeeping processes were generally consistent with labor agreement provisions.

However, the audit identified opportunities to strengthen oversight and compliance. Overtime expenditures exceeded the approved budgeted amounts in both FY 2024 and FY 2025. The OIG also noted instances in which employees exceeded the weekly overtime threshold of 32 hours, as well as situations in which operational demands affected compliance with meal-break requirements. In addition, overtime usage was concentrated among a limited number of employees, with 50 of 247 employees accounting for approximately half of total overtime hours in Fiscal Year 2025.

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Effective management of overtime is important to help mitigate employee fatigue, which may affect individual performance and overall operational effectiveness. Given the public-facing and safety-sensitive nature of Transit Security Officer duties, appropriate oversight of overtime usage supports both workforce well-being and the security of Metro patrons and employees.

OIG made recommendations to strengthen oversight of overtime authorization, monitoring, and reporting; enhance compliance with established thresholds and requirements; and improve coordination among scheduling, timekeeping, and management functions to support improved accountability over overtime usage and expenditures.

AUDIT OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of the audit was to assess whether overtime controls for Metro Transit Security Officers and Security Control Specialists are adequate and effective to ensure that overtime is properly authorized, accurately recorded, supported by legitimate operational needs, and compliant with Metro policies, labor agreements, and budgetary requirements.

The audit reviewed controls over overtime eligibility, approval, scheduling, and payroll processing. The review included compliance with established overtime limits, authorization requirements, accuracy of earning codes, and management oversight and monitoring practices. The audit period covered July 1, 2023 through June 30, 2025 (FY24 and FY25).

To achieve the audit objectives, we reviewed applicable Metro policies and procedures related to overtime, interviewed personnel from Transit Security, Talent Acquisition, and Accounting, analyzed overtime and payroll data, and examined selected overtime transactions and payroll records. We also reviewed Collective Bargaining Agreements (CBA) for TSO and SCS positions. The CBA details the assignment and approval of overtime for TSO and SCS positions.

This performance 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 conclusion based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusion based on our audit objective.

BACKGROUND

Transit Security Officers (TSOs) and Security Control Specialists (SCSs) work under Metro Transit Security (MTS), which operates within the System Security and Law Enforcement (SSLE) Department, whose mission is to ensure that Metro patrons and employees can ride and work

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safely, without fear, at all times. SSLE operates 24 hours a day, seven days a week, and is responsible for providing security and protection at Metro facilities and infrastructure.

MTS supports the safety and security of Metro’s transit system through field operations, monitoring, and coordination activities. These functions include patrol operations (mobile and foot), staffing fixed posts at designated Metro locations, enforcing the Metro Code of Conduct and fare compliance, supporting revenue protection efforts, providing escorts for General Services and Facilities Maintenance staff, and supporting special events. Due to the nature of these operational responsibilities, overtime is used to address staffing needs related to service coverage, special events, service disruptions, training, and unplanned employee absences.

The work rules and compensation for TSOs and SCSs are governed by the Collective Bargaining Agreement between Metro and the International Brotherhood of Teamsters, Local 911 (Teamsters). Section 8.1 of the Agreement states that *“All employees shall be paid one and one-half (1 ½) times their straight time hours for all work they perform in excess of forty (40) hours per week, at their regular straight time hourly rate of pay.”*

MTS uses the ETime system for employee timekeeping. The MTS timekeepers enter time and attendance information for MTS personnel into the system based on the rollouts. At the end of each pay period, timekeepers submit employee payroll records through ETime for review and approval by the appropriate supervisory staff.

RESULTS OF AUDIT

Overtime costs for Transit Security Officers (TSOs) and Security Control Specialists (SCSs) accounted for 26% and 25% of their total payroll in FY24 and FY25, respectively. The following tables present overtime details by job title.

Table 1			
FY24 Summary of Overtime by Job Title			
Job Title	No. of Employees	Overtime Hours	Overtime Amount
Transit Security Officer I	104	41,013	\$ 1,320,763
Transit Security Officer II	121	45,353	2,184,627
Senior Transit Security Officer	21	8,456	480,402
Security Control Specialist	15	3,191	166,694
Total	261	98,013	\$ 4,152,486
Total Payroll of TSOs and SCSs			\$ 15,793,525
% of Overtime to Total Payroll of TSOs and SCSs			26%

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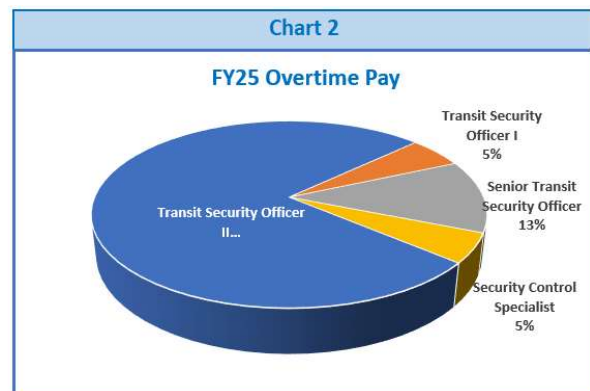
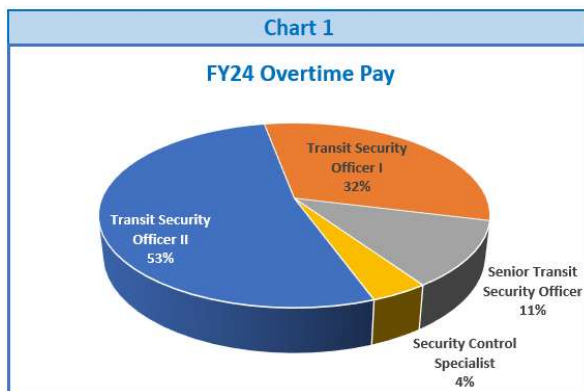
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Table 2			
FY25 Summary of Overtime by Job Title			
Job Title	No. of Employees	Overtime Hours	Overtime Amount
Transit Security Officer I	20	7,661	\$ 262,492
Transit Security Officer II	181	83,928	3,746,809
Senior Transit Security Officer	19	10,459	613,500
Security Control Specialist	27	4,419	247,717
Total	247	106,467	\$ 4,870,518
Total Payroll of TSOs and SCSs			\$ 19,175,926
% of Overtime to Total Payroll of TSOs and SCSs			25%

Overtime for Transit Security Officers and Security Control Specialists exceeded the budgeted amounts by 9% in FY24 and 66% in FY25, as detailed in Finding A below.

The charts below indicate that Transit Security Officer II (TSO II) consistently incurred the highest overtime costs each year. In FY25, TSO II accounted for 77% of total overtime costs. This was largely attributable to the promotion of a significant number of TSO I employees to TSO II during FY25, which shifted overtime hours to a higher pay classification and increased the share of overtime costs attributed to TSO II.



(Source: Payroll Reports from LIMS)

The audit found the following issues:

A. Actual Overtime Cost Exceeded the Budget

We noted that the cost of overtime for Transit Security Officers and Security Control Specialists exceeded the budgeted amounts for FY24 and FY25 by 9% and 66%, respectively, as shown in the table below:

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Table 3				
Budget vs. Actual Overtime per Payroll Reports				
Fiscal Year	Budget	Actual	Actual over Budget	Budget Overrun %
FY24	\$ 3,800,000	\$ 4,152,486	\$ 352,486	9%
FY25	\$ 2,942,503	\$ 4,870,518	\$ 1,928,015	66%

Transit Security management stated that the budget overrun resulted from additional special overtime assignments requested throughout the year in response to system-related issues and concerns. Management also stated that the FY25 budget appears significantly lower than the FY24 budget due to inaccuracies in the FY25 budget entry process following a management transition, during which staffing and operational needs were not fully understood.

We conducted a comparative cost analysis to evaluate staffing coverage achieved through the hiring of additional employees versus reliance on extended overtime hours for existing employees. Based on the assumption that a Transit Security Officer II (TSO II) works 20 overtime hours per week, the analysis demonstrated that, on a sustained basis, staffing coverage provided through overtime is more costly than coverage achieved by hiring an additional employee. As previously noted, senior employees are given priority for overtime assignments; therefore, we used the highest hourly pay rate applicable to TSO II in our analysis. While the highest overtime earners typically work 32 or more overtime hours per week, we conservatively used 20 hours per week in the estimates presented below:

Table 4 - Comparison Between Salary of New Hire vs. Overtime Cost of Current Employee			
Description	Rate per Hour	No. of Hours	Total per Year
New Hire - Transit Security Officer II:			
Base Salary	\$ 28.09	2,080	\$ 58,427.00
Estimated Overtime Cost of Current TSO II:			
Overtime Hours: 20 hours/week or 1,040 hours for the whole FY	\$ 58.25	1,040	\$ 60,574.80
Difference			\$ 2,147.80

This means that for half the number of work hours, Metro pays \$2,147.80 more than one full-time employee.

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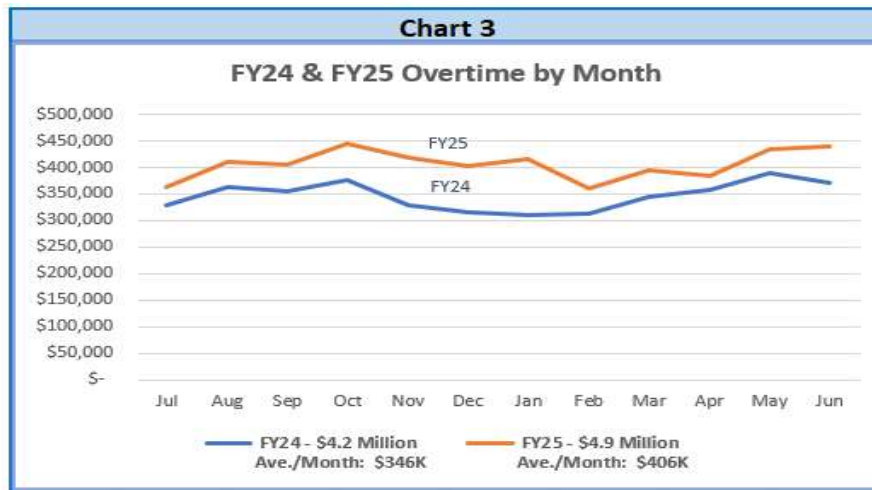
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(Note: The above comparison does not include benefit costs. Because benefit costs generally increase as salary levels rise, the actual cost differential may be greater.)

Beyond cost considerations, hiring additional employees may reduce reliance on overtime, support more predictable labor costs, and enhance workforce sustainability. Increased staffing may also mitigate employee fatigue and support health and safety, while providing riders with more consistent service coverage and safety presence.

The chart below shows that overtime costs were incurred each month consistently, with average monthly overtime of \$346,041 in FY24 and \$405,876 in FY25.



(Source: Payroll Reports from LIMS)

We prepared a schedule identifying employees with the highest overtime usage in FY25. As shown in Attachment B, 50 employees accounted for 52,247 overtime hours, representing nearly half of the total 106,467 overtime hours incurred during the fiscal year. For these employees, overtime hours ranged from 38 percent to 77 percent of their regular work hours. The highest individual amount totaled 1,602 overtime hours, equivalent to 77 percent of the employee's regular work hours.

Table 5 presents the distribution of FY25 overtime hours and the corresponding percentages relative to employees' 2,080 total regular work hours during the fiscal year.

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Table 5 - Summary of Overtime Hours - FY25				
Number of Employees	Overtime Hours		% of Overtime Hours to Total Regular Hours	
	From	To	From	To
Top 50*	790	1,602	38%	77%
5	749	770	36%	37%
19	645	728	31%	35%
19	541	624	26%	30%
16	437	520	21%	25%
21	333	416	16%	20%
17	229	312	11%	15%
24	125	208	6%	10%
49	21	104	1%	5%
27	No Overtime		0%	0%
247				

*Top 50 Overtime Earners (See Attachment A)

Management should evaluate the underlying drivers of consistently high overtime costs and assess staffing levels, scheduling practices, and deployment strategies to determine whether overtime usage can be better managed or reduced while maintaining operational requirements.

Recommendations:

To address overtime costs exceeding budgeted amounts, Transit Security management should:

- 1. Improve Overtime Budget Development and Controls.**
 - Establish procedures to reduce overtime and ensure that budgets are based on accurate staffing levels. Overtime planning and budget development should take into account special events and anticipated operational needs. Budget assumptions must be clearly documented and reviewed during management transitions to minimize the risk of data entry errors or underfunding. Additionally, management should increase efforts to operate within established budgets, promoting more efficient and cost-effective operations.
- 2. Strengthen Overtime Monitoring and Reporting.**
 - Implement regular monitoring of overtime expenditures against budgeted amounts throughout the fiscal year. Management should review variance reports and take timely corrective action when overtime costs exceed established thresholds.
- 3. Evaluate Staffing Levels and Hiring Strategies.**
 - Assess whether additional permanent positions are warranted to meet operational requirements and reduce reliance on sustained overtime. Consideration should be

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given to the cost-effectiveness and workforce sustainability of hiring additional staff versus continued use of overtime.

4. Develop a Long-Term Workforce Planning Strategy.

- Create a workforce plan that aligns staffing, overtime usage, and budget projections with anticipated system demands. The plan should address succession planning, management transitions, and mechanisms to reduce reliance on extended overtime while maintaining service coverage and safety.

B. Overpayment/Underpayment of Overtime Due to Incorrect Earning Codes

1. Overpayment

Overtime is calculated for hours worked in excess of 40 hours per workweek. Under the Collective Bargaining Agreement with Teamsters, certain earning codes - such as Vacation, Bereavement, Holiday Floating, and Holiday Legal - are eligible to be counted as time worked toward the 40-hour threshold and are therefore considered eligible hours when determining overtime pay.

Conversely, some earning codes are ineligible and should not be included in the 40-hour calculation. Examples include Sick Pay, Off with Permission, Administrative Leave, Family Care Leave, and Family Leave Vacation. See attachment A for list of eligible and ineligible earning codes for overtime purposes.

Our review of payroll records of Transit Security Officers (TSOs) and Security Control Specialists (SCSs) for FY24 and FY25 disclosed overpayment due to the inclusion of ineligible earning codes in the 40-hour workweek calculation. Please see Table 6.

Table 6 - Overpayment				
Fiscal Year	No. of Employees	No. of Overpayment	Overpayment in Hours	Amount of Overpayment
FY24	9	10	76	\$1,053
FY25	18	19	187	\$2,580

2. Underpayment:

On the other hand, we identified instances, in which employees exceeded the 40-hour workweek but were not paid overtime for the excess hours. This issue occurred because the payroll code "RGW" (Regular to Complete Workweek) was not counted toward the 40-hour threshold; thus, they were paid at a regular rate, instead of an overtime rate. Please see Table 7.

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Table 7 - Underpayment				
Fiscal Year	No. of Employees	No. of Underpayment	Underpayment in Hours	Amount of Underpayment
FY24	11	11	40	\$563
FY25	11	14	83	\$1,411

We informed the Transit Security management about the above findings, and they made the corrections in the pay period ending October 11, 2025.

Transit Security Management explained that these errors resulted from timekeeper input mistakes and oversight by the approving Supervisors. The mistakes can also be attributed to an absence of automated system controls to flag or prevent ineligible codes from being included in overtime computations.

The erroneous overtime payments resulted in additional administrative workload for payroll correction and adjustment. It could also result in potential employee dissatisfaction and risk of non-compliance with the collective bargaining agreement and labor regulations.

Recommendations:

1. Implement Automated System Controls in the Timekeeping and Payroll System

Work with Information Technology Services to configure system validation rules that prevent ineligible earning codes from being counted toward the 40-hour workweek threshold.

- Configure system rules to automatically exclude ineligible earning codes (e.g., Sick Pay, Administrative Leave, Off with Permission) from counting toward the 40-hour overtime threshold.
- Set up validation alerts or error messages to flag overtime entries that appear inconsistent with allowable earning codes.
- Require system prompts for approvers to review any overtime that is generated by a combination of eligible and ineligible codes.

2. Strengthen Supervisor Review and Approval Procedures

- Reinforce expectations that Supervisors verify the accuracy of earning codes and weekly hour totals prior to approving timesheets.
- Require periodic refresher training for Supervisors on timekeeping rules and collective bargaining agreement (CBA) provisions.
- Implement a checklist or standardized approval guidance that highlights common coding errors and high-risk areas.

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3. **Provide Mandatory Refresher Training for Timekeepers**
 - Conduct training on eligible versus ineligible earning codes for overtime calculations, including examples of common mistakes leading to overpayment or underpayment.
 - Distribute a quick-reference guide or job aid summarizing proper coding and overtime rules.
 - Enforce periodic refresher training or certification for timekeepers to ensure ongoing competency.

4. **Enhance Payroll Review and Monitoring Controls**
 - Require Payroll staff to perform a secondary review of overtime hours each pay period, focusing on employees whose total hours fall close to the 40-hour threshold.
 - Strengthen review and approval procedures by requiring a secondary review of overtime submissions to verify the accuracy of earning codes before approval.

5. **Align Policies and Procedures with the CBA and Communicate Changes**
 - Update Transit Security's timekeeping and overtime procedures to clearly reflect which codes are included or excluded in the overtime calculation under the Teamsters agreement.
 - Issue updated time keeping procedures to all Supervisors, timekeepers, and Payroll staff, and obtain signed acknowledgment.
 - Ensure that any future CBA changes are promptly incorporated into system controls and workflow documentation.

6. **Perform Periodic Internal Audits or Spot Checks**
 - Conduct periodic spot reviews of earning codes and overtime calculations for selected pay periods, especially during periods of staffing changes or revised CBA provisions.
 - Compare reported hours to system-generated totals to ensure consistency and identify emerging trends or weaknesses.

C. Weekly Overtime Thresholds Exceeded by Some Employees

Section 4.4 of the MTS Standard Operating Procedures for Payroll-Timekeeping states, *"Overtime, including pre-scheduled sign-ups, shall be limited to thirty-two (32) hours per week."*

Our review of payroll records for Transit Security Officers and Security Control Specialists for FY24 and FY25 identified multiple instances in which employees exceeded Metro's 32-hour weekly overtime limit. In FY24, there were 37 instances involving 27 employees who surpassed the overtime threshold. In FY25, there were 49 instances involving 28 employees who exceeded the limit. In these cases, employees worked between 33 and 56 hours of overtime in a single week.

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Exceeding established overtime parameters creates potential compliance risks and may contribute to employee fatigue, which can impact safety and job performance.

Please see Tables 8 and 9 for the details:

Table 8					
Employees Exceeding 32 Hours of Overtime per Week - FY24					
Job Title	Number of Employees	Overtime Hours per Employee per Week	Total Overtime Hours	Number of Weeks	Mean Overtime Hours per Week
Security Control Specialists	1	34 Hours	34	1	34
Transit Security Officer I	21	33 to 56 Hours	990	28	35
Transit Security Officer II	5	33 to 38 Hours	281	8	35
Totals	27		1,305	37	35

Table 9					
Employees Exceeding 32 Hours of Overtime per Week - FY25					
Job Title	Number of Employees	Overtime Hours per Employee per Week	Total Overtime Hours	Number of Weeks	Mean Overtime Hours per Week
Transit Security Officer I	7	33 to 45 Hours	367	10	37
Transit Security Officer II	20	33 to 51 Hours	1,380	37	37
Senior Transit Security Officer	1	34 to 40 Hours	74	2	37
Totals	28		1,821	49	37

In 2016, Management Audit Services (MAS) conducted a performance audit on the internal controls of overtime usage for Maintenance Specialists, Mechanics, and Transit Security Officers (16-AGW-P03 dated August 31, 2016). The audit found that there was inadequate staffing to meet work requirements. It was noted that many of the Transit Security Officers worked overtime on their regular days off. Metro Transit Security management stated that this was due to staff shortage.

Given the above findings from the 2016 MAS audit, and to mitigate excessive and costly overtime, management should reassess current vacancy rates, align staffing levels with operational needs and implement a strategic workforce planning approach that prioritizes reviewing and filling persistent vacancies in critical job classifications.

Table 10 below presents the number of vacancies by job title based on the organizational charts for FY24 and FY25:

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Table 10 - Vacancies by Job Title						
Job Title	Fiscal Year 2024			Fiscal Year 2025		
	Per Org. Chart	Actual Number	Vacancies (Variance)	Per Org. Chart	Actual Number	Vacancies (Variance)
Transit Security Officer I	113	104	9	145	20	125
Transit Security Officer II	136	121	15	154	181	(27)
Senior Transit Security Officer	15	21	(6)	16	19	(3)
Security Control Specialist	15	15	0	15	27	(12)
Total	279	261	18	330	247	83

Any variance exceeding the numbers reflected in the organizational charts is attributable to employees whose employment terminated during the fiscal year but before year-end. The actual numbers shown in the table include these employees.

Metro Security Management should strengthen controls to ensure compliance with the 32-hour weekly overtime limit and to ensure overtime is properly managed, consistently enforced, and aligned with operational and budgetary requirements.

Recommendations:

- 1. Reinforce and Communicate Overtime Policy Requirements**
 - Formally re-communicate the 32-hour weekly overtime limit to all Transit Security personnel and supervisory staff.
 - Ensure the policy is included in onboarding materials and periodic refresher trainings.

- 2. Implement a Preventive Overtime Monitoring Process**
 - Monitor overtime usage in real time or near real time using available scheduling or payroll systems.
 - Establish a weekly overtime dashboard or automatic alerts to identify employees who are approaching the 32-hour limit.

- 3. Require Documented Justification and Approval for All Exceedances**
 - Ensure the required authorization form is completed, retained, and reviewed for completeness for any overtime that exceeds 32 hours per week.
 - Escalate to management instances without proper approvals and address through corrective action, coaching, or retraining, depending on severity and frequency.

- 4. Integrate Overtime Controls into Scheduling Practices**
 - Require scheduling staff to review weekly overtime projections when assigning shifts. Assigning shifts that knowingly put employees above the 32-hour limit should be

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prohibited unless a documented operational necessity exists and advance approval has been secured.

5. Perform Periodic Management Review of Overtime Trends

- Conduct quarterly reviews of overtime usage by employee, shift, and location to identify patterns, operational drivers, or staffing shortages contributing to excessive overtime. Results should be used to inform workforce planning, hiring needs, or shift adjustments.

6. Establish Accountability for Non-Compliance

- Define clear consequences for repeated policy violations, such as failure to obtain required approvals or scheduling employees beyond allowable limits. Accountability measures may include supervisor coaching, written reminders, or escalation to higher-level management for persistent non-compliance.

7. Assess Fatigue and Safety Risks Associated with High Overtime

- Evaluate safety implications for posts requiring heightened attention or rapid response and consider implementing post-rotation guidelines or mandatory rest periods when overtime approaches higher thresholds.

8. Assess Current Vacancy Rates and Align Staffing Levels with Operational Needs

9. Implement a Strategic Workforce Planning Approach that Prioritizes Reviewing and Filling Persistent Vacancies in Critical Classifications to Mitigate Excessive and Costly Overtime

D. Overtime in Excess of 32 Hours per Week Without Prior Written Authorization

MTS policy states, *“It is the employee’s responsibility to track their overtime and obtain the appropriate pre-approval to work any overtime that exceeds 32 hours, as stated in the Transit Security General Order about Overtime.”*

In cases where the employee will exceed the 32-hour maximum limit per week, the employee should fill out an *Authorization to Exceed 32 Hours of Overtime* form to be approved by the Captain/Director of Transit Security.

Our review disclosed the following:

1. Lack of prior written authorization: Some employees exceeded the 32-hour limit without submitting the required form. The MTS Timekeepers did not receive the *Authorization to Exceed 32 Hours of Overtime* forms for 10 (out of 37) and 29 (out of 49) for FY24 and FY25,

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respectively. Consequently, certain overtime hours were worked without documented management approval.

2. Late submission of authorization forms: In 15 cases, the forms were submitted after the overtime work had already been completed. The policy clearly requires prior written approval to ensure that additional overtime is properly justified, reviewed, and authorized before being incurred.

The *Authorization to Exceed 32 Hours of Overtime* form is an important internal control designed to ensure that overtime is appropriately justified and approved by management in advance. It documents that the additional hours are necessary to meet critical staffing or security requirements and that management oversight has been exercised over overtime usage.

Our review indicates that some employees and Watch Commanders do not consistently follow the established overtime approval procedures. MTS Timekeepers reported that they frequently had to follow up with employees or Watch Commanders to obtain the necessary forms.

Failure to comply with overtime approval requirements weakens internal controls and limits management's ability to monitor and control overtime usage. Unapproved overtime may result in unnecessary labor costs, inaccurate reporting, and potential inequities in work distribution.

Recommendations:

To strengthen internal controls and ensure consistent compliance with overtime approval requirements, we recommend the following:

1. **Reinforce the Requirement for Prior Written Authorization**
 - Re-communicate the policy that employees must obtain written approval *before* working overtime in excess of 32 hours per week. This should include reminders during shift briefings, email notifications, and periodic policy refreshers to ensure all employees and Watch Commanders understand the requirement.
 - Ensure the policy is included in onboarding materials and periodic refresher trainings.
2. **Implement Automated Alerts for Employees Approaching the 32-Hour Threshold**
 - Ensure that the payroll or scheduling system generates automated notifications to both the employee and the Watch Commander when an employee is projected to exceed 32 overtime hours in a week. This will prompt timely submission and approval of the *Authorization to Exceed 32 Hours of Overtime* form.

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3. Establish a Standardized Submission Timeline and Escalation Process

- Set clear expectations that authorization forms must be submitted before the start of the shift in which overtime will exceed the limit. For instances in which the form is not submitted on time, an escalation protocol should be implemented, requiring Watch Commander justification and higher-level review before payroll processing.

4. Require Watch Commander Accountability for Late or Missing Forms

- Remind supervisors that they are responsible for ensuring that overtime is pre-approved. Late submissions should be tracked, and repeated noncompliance should be addressed through performance counseling or refresher training.

5. Centralize Tracking and Periodic Review of Authorization Forms

- Require Transit Security Timekeepers to maintain a centralized repository for all approved Authorization to Exceed 32 Hours of Overtime forms, including dates of receipt and approval. This will assist with compliance monitoring, audit readiness, and improved transparency in overtime decision-making. A monthly or quarterly compliance report should be provided to management to identify trends, monitor adherence, and detect recurring issues.

6. Provide Refresher Training on Overtime Processes for Employees and Watch Commanders

- Conduct regular training or brief refresher sessions to ensure all personnel understand how to complete the authorization form, the need for timely approval, and the consequences of noncompliance.

Implementing these recommendations will help ensure that overtime exceeding the 32-hour weekly limit is properly justified, authorized in advance, and supported by effective internal controls. It will also improve oversight of labor costs and promote equitable overtime assignment practices.

E. Lunch Break Erroneously Included in Overtime Hours

For FY24, we reviewed the approved Overtime Reports submitted by employees for two payroll periods, with pay end dates of October 28, 2023, and June 8, 2024, and compared the reported overtime hours to those reflected in the Payroll Reports. Our review identified discrepancies involving five employees who were each paid an additional 30 minutes of overtime. The errors occurred because employees inadvertently included their 30-minute lunch breaks as overtime worked. We advised MTS about the error, and they made the payroll correction for the pay end date November 22, 2025.

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While the total overpayment for the periods reviewed was less than \$100 and may be considered immaterial, it is important that overtime hours be recorded accurately to ensure proper payroll processing and compliance with the policy. Inaccurate reporting, even in small amounts, can accumulate over time and result in inappropriate labor costs, inconsistent application of overtime rules, and potential disputes or misunderstandings regarding employee compensation.

Recommendations:

1. **Enhance Employee Training on Overtime Reporting**
 - Conduct refresher training for all Transit Security staff on how to correctly report overtime hours, specifically emphasizing that lunch breaks and other non-work periods should not be included in overtime calculations. Include examples from prior errors to illustrate common mistakes.
2. **Update Standard Operating Procedures (SOPs)**
 - Revise or update the SOPs for overtime reporting to explicitly address the treatment of meal periods. Ensure these procedures are readily accessible in both electronic and printed formats for employees and supervisors.
3. **Implement System Validations in MTS Roll-Out**
 - Collaborate with Information Technology Services to configure the MTS Roll-Out system to flag potential errors automatically, such as when overtime hours include typical break periods or exceed standard shift durations.
4. **Reinforce Supervisor Review and Approval**
 - Reinforce the requirement for supervisors to carefully review overtime submissions in the Roll-Out system prior to approval. Supervisors should verify that reported hours match actual work performed and exclude non-compensable periods.

F. Overtime of 30 Minutes Due to Skipped Lunch Break

Our review of FY25 overtime data identified some recurring 30-minute overtime entries attributed to skipped lunch breaks. Security Control Specialists (SCSs) had the highest frequency of these occurrences. From this group, we selected two SCS employees included in our audit sample and reviewed their Overtime Reports to understand the underlying reasons.

Based on Overtime Reports, the two Security Control Specialists (SCSs) reported 30 minutes of overtime for missed meal periods on 12 and 14 occasions, respectively. Both employees attributed the missed meal periods to staffing shortages. In addition, we identified instances in which these employees worked an additional 7.5-hour shift following their regular shift, resulting in workdays of nearly 16 hours.

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Section 6.4 of the Agreement with Teamsters states, “*Employees covered by this Agreement shall receive a thirty (30) minute meal period.*” California Labor Code Section 512(a) similarly prohibits an employer from requiring employees to work more than five hours per day without a meal period of at least 30 minutes, except in limited circumstances when the total shift does not exceed six hours and the meal period is mutually waived. Failure to provide compliant meal periods exposes Metro to legal and contractual risk and may also adversely affect employee comfort and well-being.

The MTS Supervisor explained that “*we experienced staffing shortages on the Watch which warranted SCS working through their lunches due to the nature of their assignment and the necessity of having enough Dispatchers at the consoles (i.e., officer safety).*” He added that they cannot leave the dispatch consoles unstaffed or undermanned. The MTS Captain further clarified that skipped lunches should occur *only* under exigent circumstances — such as use-of-force incidents, traffic collisions, or other emergencies — and that these situations must be properly documented.

As part of our FY24 review, we also noted that a Transit Security Officer (TSO) worked 30 minutes of overtime on both June 3 and June 7, 2024, with “*No lunch due to fare enforcement*” noted as the justification. Follow-up with Transit Security confirmed that on June 3, the TSO assisted with a suicidal individual, and on June 7, the TSO responded to an incident in which a patron challenged officers to a fight, resulting in an officer injury requiring medical transport. Because both incidents occurred during the TSO’s scheduled lunch period and concluded near the end of his shift, the missed meal breaks warranted overtime compensation. These situations meet the threshold for exigent circumstances and constitute valid exceptions.

While some missed-meal occurrences were justified, skipped lunches due to staffing shortages indicates a systemic issue that increases overtime costs and exposes Metro to legal compliance risks. We recommend that Transit Security management implement measures to minimize similar occurrences in the future. It is also recommended to enhance documentation practices to clearly articulate and support the basis for missed-meal justifications.

Recommendations:

1. Strengthen Staffing and Coverage Controls

- Assess staffing levels and scheduling practices within the Watch to ensure sufficient coverage during meal periods. This may include implementing staggered lunches, float coverage, or temporary reassignments to avoid requiring employees to remain at consoles.

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2. Reinforce Policy Expectations on Meal Breaks

- Reiterate to supervisors and employees that skipping lunch is allowed only under bona fide exigent circumstances, consistent with Labor Code Section 512 and the Teamsters Agreement. Non-exigent operational gaps should not result in missed meal periods.

3. Enhance Documentation Requirements

- Require supervisors and employees to clearly document the specific circumstances leading to each missed lunch, including whether the situation qualifies as an exigent event. Documentation should be consistent, descriptive, and retained for audit and compliance purposes.

4. Implement Monitoring and Trend Analysis

- Establish periodic reviews of 30-minute overtime entries to identify patterns, repeat occurrences, and units experiencing frequent staffing shortages. Early detection will allow management to intervene proactively.

5. Evaluate the Need for Additional Training or Guidance

- Provide supervisors with training on meal-period compliance requirements, proper documentation standards, and appropriate decision-making when staff request or are instructed to skip lunch.

G. Overtime Discrepancies Between the Scheduling Software and Payroll Reports

In November 2024, Transit Security Department started using the MTS Roll-Out, their new scheduling software, which was developed by Metro's Information Technology Services. This new system eliminated the need to submit pre-approved overtime authorization - the employees now sign up for overtime, which is approved by their supervisors in the Roll-Outs.

As part of our FY25 audit procedures, we reconciled overtime hours for a sample of employees by comparing the Payroll Report to the Overtime Detail Report generated from the MTS Roll-Out for June 2025. This reconciliation identified a discrepancy of 75 overtime hours, with the Overtime Detail Report reflecting fewer overtime hours than those recorded in the Payroll Report. The variance occurred because certain overtime hours included in the Roll-Out were not captured in the Overtime Detail Report. The MTS Timekeeper appropriately used the overtime hours on the Roll-Out when processing payroll. Although the resulting payroll adjustment of \$458 was not financially material, the discrepancy indicates that overtime hours recorded in the operational scheduling system were not fully aligned with the hours processed for payroll.

Based on MTS payroll and scheduling procedures, overtime hours recorded in the Roll-Out system should accurately reflect the hours worked and approved for each employee. These

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system-generated overtime hours serve as the basis for payroll processing and must be consistent with payroll records to ensure accuracy of employee compensation and compliance with internal control standards for timekeeping and payroll.

The discrepancy appears to be due to inadequate reconciliation procedures between the operational Roll-Out system and the Payroll system prior to payroll processing. Contributing factors may include delays in updating the Overtime Detail Report, manual adjustments made directly in payroll without corresponding updates to the Roll-Out, or system interface issues that prevent consistent synchronization of overtime data.

Inaccurate reporting of overtime hours can result in overpayment or underpayment to employees, inconsistent financial reporting, and weakened internal controls over payroll. The identified variance of 75 hours increases the risk of payroll errors and exposes the organization to potential disputes, additional administrative review, and financial loss. Continued discrepancies may also undermine the reliability of both the Roll-Out and Payroll systems used for labor cost monitoring and operational decision-making.

Recommendations:

1. Implement a Formal Reconciliation Process

- Establish and document a standardized reconciliation procedure to ensure that overtime hours in the Payroll system match those reported in the Roll-Out Overtime Detail Report before payroll is processed. This procedure should require supervisors or payroll staff to verify and resolve all variances prior to payroll submission.

2. Strengthen System Interface Controls

- Work with ITS and system administrators to assess and improve the user interface between the Roll-Out scheduling system and the Payroll system. Enhancements should ensure that overtime entries automatically transfer, are complete, and accurately reflect approved hours. Any system limitations should be documented and compensated for with manual controls.

3. Require Documentation of Manual Adjustments

- Require supporting documentation and corresponding updates to the Roll-Out system when overtime adjustments must be entered manually into the Payroll system. All manual entries should be reviewed and approved by a supervisor who can confirm that the edits align with actual hours worked.

4. Provide Training to Supervisors and Payroll Staff

- Conduct refresher training for supervisors and timekeepers on overtime reporting requirements, system processes, and reconciliation expectations. Training will help

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ensure consistent application of procedures and reduce errors resulting from inconsistent data entry or misunderstanding of the workflow.

5. Perform Periodic Monitoring and Quality Assurance Reviews

- Institute periodic oversight reviews to validate the accuracy of overtime reporting between the two systems. These reviews should focus on identifying recurring discrepancies, assessing root causes, and confirming that corrective actions implemented are effective in preventing future variances.

6. Communicate Corrections and Provide Feedback

- Notify affected employees promptly when payroll corrections occur due to reporting errors, and provide feedback to prevent recurrence. This reinforces accountability and improves accuracy over time.

H. Inconsistencies in Entering Overtime Hours in the Scheduling Software

Our review of the Overtime Detail Report for June 20, 2025, identified inconsistencies in how 30-minute overtime increments were entered into the new MTS roll-out software. Specifically, the 30-minute increment was recorded both as “.30” and “.50,” depending on the employee or data-entry instance. For example, shifts totaling 7 ½ hours appeared as either 7.30 or 7.50, indicating a lack of uniformity in entering partial hours.

MTS explained that *“it was purely human error during data entry. These mistakes were made during the transition period after the email from Lt. [xxx], and the old way of entering “.5” for half an hour still made their way onto the rollouts.”*

Notably, the MTS Payroll Team is aware that “.5” correctly translates to 30 minutes in E-Time.

Inconsistent entry of partial overtime hours increases the risk of confusion, misinterpretation, or data inaccuracies within scheduling and payroll records. Although E-Time correctly converts “.5” to 30 minutes, the lack of standardized data entry practices may reduce the reliability of overtime reports, hinder effective review and reconciliation processes, and complicate management oversight. Consistent entry conventions are important to ensure clarity, data integrity, and accurate monitoring of overtime usage across the department.

To ensure accurate and consistent overtime reporting in the new rollout software, we recommend the following:

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Recommendations:

1. **Reinforce Standardized Time-Entry Protocols**
 - Issue a clear, updated directive detailing the correct format for entering partial hours in the new system, with specific examples illustrating the required conventions.
2. **Provide Targeted Refresher Training**
 - Conduct short, mandatory refresher sessions for all staff responsible for time entry. Training should emphasize the differences between the old and new systems, highlight common errors observed during the transition, and include hands-on practice.
3. **Implement Validation or System Controls**
 - Work with Metro's Information Technology Services to explore whether the system can reject or flag incorrect formats (e.g., ".5") to prevent inaccurate entries at the point of input.
4. **Strengthen Supervisory Review**
 - Require supervisors to perform routine reviews of overtime entries during the transition period to identify and correct any remaining inconsistencies before payroll processing.
5. **Monitor and Follow Up.**
 - For a defined period, periodically review Overtime Detail Reports to confirm that the corrective measures are effective and that incorrect entries no longer occur.

These actions will help ensure consistent data entry practices, support accurate payroll processing, and reduce the risk of recurring errors as staff continue to transition to the new system.

I. Overtime Sign-up Discrepancies in the Roll-Out

The current practice for overtime sign-ups allows Transit Security Officers (TSOs) to sign up for overtime assignments for the following week once the rollout is released. Under this procedure and according to Teamsters Collective Bargaining Agreement, a more senior employee has up to 72 hours before the start of the overtime assignment to sign up and exercise their right to "bump" a less senior employee. A final rollout is then published, reflecting all confirmed overtime sign-ups and any changes due to the bumping process.

Based on staff interviews, there have been instances where employees' names appeared on the original rollout but were missing or not reflected on the final version. This inconsistency appears

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to result from human error during the preparation or updating of the rollout. Such discrepancies can create confusion and mistrust among staff, potentially leading to perceptions of favoritism or unfair treatment in the distribution of overtime opportunities.

Recommendations:

1. Implement a Standardized Overtime Sign-Up Workflow:

- Develop and document a formal procedure for creating, updating, and publishing the Roll-Out to ensure consistency.
- Include step-by-step guidance on how to handle seniority “bumping” and how changes should be reflected in the final Roll-Out.

2. Automate Tracking and Updates Where Possible:

- Explore using the MTS Roll-Out software to automatically track sign-ups, bumps, and final confirmations.
- Reduce reliance on manual updates to minimize human error and discrepancies.
- Retain copies of the original Roll-Out for a reasonable period to serve as a reference in case disputes or questions arise regarding overtime assignments.

3. Introduce Verification and Audit Checks:

- Require a secondary review or cross-check of the final Roll-Out by a supervisor before publication to confirm all assignments are accurate.

4. Enhance Communication with Staff:

- Notify employees immediately of any changes to their assignments and provide a clear explanation for the update.

5. Provide Training for Roll-Out Management:

- Train staff responsible for preparing and updating the Roll-Out on the correct procedures and use of the software system.
- Emphasize the importance of accuracy and fairness in the overtime assignment process.

6. Conduct Periodic Review and Continuous Improvement:

- Conduct periodic audits of the overtime sign-up process to identify recurring errors or inefficiencies.
- Use feedback from staff to improve the process and maintain trust in overtime distribution.

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J. Overpayment of Military Leave Pay

In the course of our review of overtime for Transit Security staff, we identified an employee who has been on military leave since August 2021.

According to Section 1.1.1 of Metro Policy HR 14, *“Military leave is generally unpaid. However, California law requires that an employee who is granted military leave of absence and has a minimum of one year service prior to the effective date active duty begins, is entitled to receive his/her regular pay for the first 30 calendar days of active duty within any given fiscal year. This means that the employee will receive his/her regular pay for the workdays he/she would be normally scheduled to work during the first 30 calendar days of active duty. Pay will not exceed 8 hours per day or 80 hours in a pay period, or exceed 22 days or 176 hours in a fiscal year.*

All employee rights and benefits remain in effect during the employee's military leave, as long as the periods of duty do not exceed a cumulative total of five years.”

Our audit found that in FY25, the employee was paid for 184 hours, exceeding the maximum allowable hours by 8 hours. In addition, 48 of these hours were calculated using an incorrect pay rate, resulting in a total overpayment of \$376.88. We notified Talent Acquisition staff responsible for the calculation. The overpayment resulted from an administrative oversight and the use of an incorrect pay rate due to the selection of an incorrect job classification. Without corrective measures, similar errors may recur and adversely affect payroll accuracy.

Recommendations to Human Capital and Development (Talent Acquisition):

1. Recover Overpayment:

- Initiate corrective action to recover the overpaid amount of \$376.88 from the employee, in accordance with Metro payroll recovery procedures and applicable labor laws.
- Ensure repayment agreements are documented and communicated clearly to avoid disputes.

2. Strengthen Review Controls:

- Require a second-level payroll verification for all military leave pay calculations to ensure accuracy of hours and pay rates.
- Include a checklist to verify that hours paid do not exceed policy limits and that correct rates are applied.

3. Provide Training and Guidance:

- Provide refresher training to payroll staff on Metro Policy HR 14 and California military leave pay requirements.

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- Develop clear guidance documents detailing calculation procedures, maximum hours, and pay rate application for military leave.

4. Document Lessons Learned:

- Update internal procedures to highlight common errors and corrective actions regarding military leave payments.

CONCLUSION

The audit found that overall, overtime controls for TSOs and SCSs were generally adequate and operated largely as intended. Policies and procedures governing overtime were in place, and timekeeping processes were generally consistent with labor agreement provisions.

However, the audit identified opportunities to strengthen oversight and compliance. Overtime expenditures exceeded the approved budgeted amounts in both FY 2024 and FY 2025. The OIG also noted instances in which employees exceeded the weekly overtime threshold of 32 hours, as well as situations in which operational demands affected compliance with meal-break requirements. In addition, overtime usage was concentrated among a limited number of employees, with 50 of 247 employees accounting for approximately half of total overtime hours in Fiscal Year 2025.

To mitigate excessive and costly overtime, management should implement a strategic workforce planning approach that prioritizes the review and timely filling of persistent vacancies in critical classifications. As noted in the 2016 Audit of Overtime Usage (16-AGW-P03, dated August 31, 2016) conducted by Management Audit Services, staffing levels were found to be inadequate, and many Transit Security Officers worked overtime on their regular days off due to personnel shortage. Management should reassess current vacancy rates and ensure that staffing levels are appropriately aligned with operational needs to reduce reliance on overtime.

Effective management of overtime is important to help mitigate employee fatigue, which may affect individual performance and overall operational effectiveness. Given the public-facing and safety-sensitive nature of Transit Security Officer duties, appropriate oversight of overtime usage supports both workforce well-being and the security of Metro patrons and employees.

OIG made recommendations to strengthen oversight of overtime authorization, monitoring, and reporting; enhance compliance with established thresholds and requirements; and improve coordination among scheduling, timekeeping, and management functions to support improved accountability over overtime usage and expenditures.

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Given current fiscal constraints, it is imperative that all Metro departments operate within approved budgetary limits and significantly reduce reliance on overtime, an exceptionally high-cost staffing practice.

RECOMMENDATIONS

The recommendations discussed above are presented below:

Department of Public Safety (System Security/Transit Security):

Finding A: Actual Overtime Cost Exceeded the Budget

1. Improve Overtime Budget Development and Controls.

- Establish procedures to reduce overtime and ensure that budgets are based on accurate staffing levels. Overtime planning and budget development should take into account special events and anticipated operational needs. Budget assumptions must be clearly documented and reviewed during management transitions to minimize the risk of data entry errors or underfunding. Additionally, management should increase efforts to operate within established budgets, promoting more efficient and cost-effective operations.

2. Strengthen Overtime Monitoring and Reporting.

- Implement regular monitoring of overtime expenditures against budgeted amounts throughout the fiscal year. Management should review variance reports and take timely corrective action when overtime costs exceed established thresholds.

3. Evaluate Staffing Levels and Hiring Strategies.

- Assess whether additional permanent positions are warranted to meet operational requirements and reduce reliance on sustained overtime. Consideration should be given to the cost-effectiveness and workforce sustainability of hiring additional staff versus continued use of overtime.

4. Develop a Long-Term Workforce Planning Strategy.

- Create a workforce plan that aligns staffing, overtime usage, and budget projections with anticipated system demands. The plan should address succession planning, management transitions, and mechanisms to reduce reliance on extended overtime while maintaining service coverage and safety.

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Finding B: Overpayment/Underpayment of Overtime Due to Incorrect Earning Codes

5. Implement Automated System Controls in the Timekeeping and Payroll System

Work with Information Technology Services to configure system validation rules that prevent ineligible earning codes from being counted toward the 40-hour workweek threshold.

- Configure system rules to automatically exclude ineligible earning codes (e.g., Sick Pay, Administrative Leave, Off with Permission) from counting toward the 40-hour overtime threshold.
- Set up validation alerts or error messages to flag overtime entries that appear inconsistent with allowable earning codes.
- Require system prompts for approvers to review any overtime that is generated by a combination of eligible and ineligible codes.

6. Strengthen Supervisor Review and Approval Procedures

- Reinforce expectations that Supervisors verify the accuracy of earning codes and weekly hour totals prior to approving timesheets.
- Require periodic refresher training for Supervisors on timekeeping rules and collective bargaining agreement (CBA) provisions.
- Implement a checklist or standardized approval guidance that highlights common coding errors and high-risk areas.

7. Provide Mandatory Refresher Training for Timekeepers

- Conduct training on eligible versus ineligible earning codes for overtime calculations, including examples of common mistakes leading to overpayment or underpayment.
- Distribute a quick-reference guide or job aid summarizing proper coding and overtime rules.
- Enforce periodic retraining or certification for timekeepers to ensure ongoing competency.

8. Enhance Payroll Review and Monitoring Controls

- Require Payroll staff to perform a secondary review of overtime hours each pay period, focusing on employees whose total hours fall close to the 40-hour threshold.
- Strengthen review and approval procedures by requiring a secondary review of overtime submissions to verify the accuracy of earning codes before approval.

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9. Align Policies and Procedures with the CBA and Communicate Changes

- Update Transit Security's timekeeping and overtime procedures to clearly reflect which codes are included or excluded in the overtime calculation under the Teamsters agreement.
- Issue updated procedures to all Supervisors, timekeepers, and Payroll staff, and obtain signed acknowledgment.
- Ensure that any future CBA changes are promptly incorporated into system controls and workflow documentation.

10. Perform Periodic Internal Audits or Spot Checks

- Conduct periodic spot reviews of earning codes and overtime calculations for selected pay periods, especially during periods of staffing changes or revised CBA provisions.
- Compare reported hours to system-generated totals to ensure consistency and identify emerging trends or weaknesses.

Finding C: Weekly Overtime Thresholds Exceeded by Some Employees

11. Reinforce and Communicate Overtime Policy Requirements

- Formally re-communicate the 32-hour weekly overtime limit to all Transit Security personnel and supervisory staff.
- Ensure the policy is included in onboarding materials and periodic refresher trainings.

12. Implement a Preventive Overtime Monitoring Process

- Monitor overtime usage in real time or near real time using available scheduling or payroll systems.
- Establish a weekly overtime dashboard or automatic alerts to identify employees who are approaching the 32-hour limit.

13. Require Documented Justification and Approval for All Exceedances

- Ensure the required authorization form is completed, retained, and reviewed for completeness for any overtime that exceeds 32 hours per week.
- Escalate to management Instances without proper approvals and address through corrective action, coaching, or retraining, depending on severity and frequency.

14. Integrate Overtime Controls into Scheduling Practices

- Require scheduling staff to review weekly overtime projections when assigning shifts. Assigning shifts that knowingly put employees above the 32-hour limit should be prohibited unless a documented operational necessity exists and advance approval has been secured.

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15. Perform Periodic Management Review of Overtime Trends

- Conduct quarterly reviews of overtime usage by employee, shift, and location to identify patterns, operational drivers, or staffing shortages contributing to excessive overtime. Results should be used to inform workforce planning, hiring needs, or shift adjustments.

16. Establish Accountability for Non-Compliance

- Define clear consequences for repeated policy violations, such as failure to obtain required approvals or scheduling employees beyond allowable limits. Accountability measures may include supervisor coaching, written reminders, or escalation to higher-level management for persistent non-compliance.

17. Assess Fatigue and Safety Risks Associated with High Overtime

- Evaluate safety implications for posts requiring heightened attention or rapid response and consider implementing post-rotation guidelines or mandatory rest periods when overtime approaches higher thresholds.

18. Assess Current Vacancy Rates and Align Staffing Levels with Operational Needs

19. Implement a Strategic Workforce Planning Approach that Prioritizes Reviewing and Filling Persistent Vacancies in Critical Classifications to Mitigate Excessive and Costly Overtime

Finding D: Overtime in Excess of 32 Hours per Week Without Prior Written Authorization

20. Reinforce the Requirement for Prior Written Authorization

- Re-communicate the policy that employees must obtain written approval *before* working overtime in excess of 32 hours per week. This should include reminders during shift briefings, email notifications, and periodic policy refreshers to ensure all employees and Watch Commanders understand the requirement.
- Ensure the policy is included in onboarding materials and periodic refresher trainings.

21. Implement Automated Alerts for Employees Approaching the 32-Hour Threshold

- Ensure that the payroll or scheduling system generates automated notifications to both the employee and the Watch Commander when an employee is projected to exceed 32 overtime hours in a week. This will prompt timely submission and approval of the Authorization to Exceed 32 Hours of Overtime form.

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22. Establish a Standardized Submission Timeline and Escalation Process

- Set clear expectations that authorization forms must be submitted before the start of the shift in which overtime will exceed the limit. For instances in which the form is not submitted on time, an escalation protocol should be implemented, requiring Watch Commander justification and higher-level review before payroll processing.

23. Require Watch Commander Accountability for Late or Missing Forms

- Remind supervisors that they are responsible for ensuring that overtime is pre-approved. Late submissions should be tracked, and repeated noncompliance should be addressed through performance counseling or refresher training.

24. Centralize Tracking and Periodic Review of Authorization Forms

- Require Transit Security Timekeepers to maintain a centralized repository for all approved Authorization to Exceed 32 Hours of Overtime forms, including dates of receipt and approval. This will assist with compliance monitoring, audit readiness, and improved transparency in overtime decision-making. A monthly or quarterly compliance report should be provided to management to identify trends, monitor adherence, and detect recurring issues.

25. Provide Refresher Training on Overtime Processes for Employees and Watch Commanders

- Conduct regular training or brief refresher sessions to ensure all personnel understand how to complete the authorization form, the need for timely approval, and the consequences of noncompliance.

Finding E: Lunch Break Erroneously Included in Overtime Hours

26. Enhance Employee Training on Overtime Reporting

- Conduct refresher training for all Transit Security staff on how to correctly report overtime hours, specifically emphasizing that lunch breaks and other non-work periods should not be included in overtime calculations. Include examples from prior errors to illustrate common mistakes.

27. Update Standard Operating Procedures (SOPs)

- Revise or update the SOPs for overtime reporting to explicitly address the treatment of meal periods. Ensure these procedures are readily accessible in both electronic and printed formats for employees and supervisors.

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28. Implement System Validations in MTS Roll-Out

- Collaborate with Information Technology Services to configure the MTS Roll-Out system to flag potential errors automatically, such as when overtime hours include typical break periods or exceed standard shift durations.

29. Reinforce Supervisor Review and Approval

- Reinforce the requirement for supervisors to carefully review overtime submissions in the Roll-Out system prior to approval. Supervisors should verify that reported hours match actual work performed and exclude non-compensable periods.

Finding F: Overtime of 30 Minutes Due to Skipped Lunch Break

30. Strengthen Staffing and Coverage Controls

- Assess staffing levels and scheduling practices within the Watch to ensure sufficient coverage during meal periods. This may include implementing staggered lunches, float coverage, or temporary reassignments to avoid requiring employees to remain at consoles.

31. Reinforce Policy Expectations on Meal Breaks

- Reiterate to supervisors and employees that skipping lunch is allowed only under bona fide exigent circumstances, consistent with Labor Code § 512 and the Teamsters Agreement. Non-exigent operational gaps should not result in missed meal periods.

32. Enhance Documentation Requirements

- Require supervisors and employees to clearly document the specific circumstances leading to each missed lunch, including whether the situation qualifies as an exigent event. Documentation should be consistent, descriptive, and retained for audit and compliance purposes.

33. Implement Monitoring and Trend Analysis

- Establish periodic reviews of 30-minute overtime entries to identify patterns, repeat occurrences, and units experiencing frequent staffing shortages. Early detection will allow management to intervene proactively.

34. Evaluate the Need for Additional Training or Guidance

- Provide supervisors with training on meal-period compliance requirements, proper documentation standards, and appropriate decision-making when staff request or are instructed to skip lunch.

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Finding G: Discrepancy in Reported Overtime Hours

35. Implement a Formal Reconciliation Process

- Establish and document a standardized reconciliation procedure to ensure that overtime hours in the Payroll system match those reported in the Roll-Out Overtime Detail Report before payroll is processed. This procedure should require supervisors or payroll staff to verify and resolve all variances prior to payroll submission.

36. Strengthen System Interface Controls

- Work with ITS and system administrators to assess and improve the data interface between the Roll-Out scheduling system and the Payroll system. Enhancements should ensure that overtime entries automatically transfer, are complete, and accurately reflect approved hours. Any system limitations should be documented and compensated for with manual controls.

37. Require Documentation of Manual Adjustments

- Require supporting documentation and corresponding updates to the Roll-Out system when overtime adjustments must be entered manually into the Payroll system. All manual entries should be reviewed and approved by a supervisor who can confirm that the edits align with actual hours worked.

38. Provide Training to Supervisors and Payroll Staff

- Conduct refresher training for supervisors and timekeepers on overtime reporting requirements, system processes, and reconciliation expectations. Training will help ensure consistent application of procedures and reduce errors resulting from inconsistent data entry or misunderstanding of the workflow.

39. Perform Periodic Monitoring and Quality Assurance Reviews

- Institute periodic oversight reviews to validate the accuracy of overtime reporting between the two systems. These reviews should focus on identifying recurring discrepancies, assessing root causes, and confirming that corrective actions implemented are effective in preventing future variances.

40. Communicate Corrections and Provide Feedback

- Notify affected employees promptly when payroll corrections occur due to reporting errors, and provide feedback to prevent recurrence. This reinforces accountability and improves accuracy over time.

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Finding H: Inconsistencies in Entering Overtime Hours in the Scheduling Software

41. Reinforce Standardized Time-Entry Protocols

- Issue a clear, updated directive detailing the correct format for entering partial hours in the new system, with specific examples illustrating the required conventions.

42. Provide Targeted Refresher Training

- Conduct short, mandatory refresher sessions for all staff responsible for time entry. Training should emphasize the differences between the old and new systems, highlight common errors observed during the transition, and include hands-on practice.

43. Implement Validation or System Controls

- Work with the software administrator to explore whether the system can reject or flag incorrect formats (e.g., “.5”) to prevent inaccurate entries at the point of input.

44. Strengthen Supervisory Review

- Require supervisors to perform routine reviews of overtime entries during the transition period to identify and correct any remaining inconsistencies before payroll processing.

45. Monitor and Follow Up:

- For a defined period, periodically review Overtime Detail Reports to confirm that the corrective measures are effective and that incorrect entries no longer occur.

Finding I: Overtime Sign-Up Discrepancies in the Rollout

46. Implement a Standardized Overtime Sign-Up Workflow:

- Develop and document a formal procedure for creating, updating, and publishing the Roll-Out to ensure consistency.
- Include step-by-step guidance on how to handle seniority “bumping” and how changes should be reflected in the final Roll-Out.

47. Automate Tracking and Updates Where Possible:

- Explore using the MTS Roll-Out software to automatically track sign-ups, bumps, and final confirmations.
- Reduce reliance on manual updates to minimize human error and discrepancies.
- Retain copies of the original Roll-Out for a reasonable period to serve as a reference in case disputes or questions arise regarding overtime assignments.

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48. Introduce Verification and Audit Checks:

- Require a secondary review or cross-check of the final Roll-Out by a supervisor before publication to confirm all assignments are accurate.

49. Enhance Communication with Staff:

- Notify employees immediately of any changes to their assignments and provide a clear explanation for the update.

50. Provide Training for Roll-Out Management:

- Train staff responsible for preparing and updating the Roll-Out on the correct procedures and use of the software system.
- Emphasize the importance of accuracy and fairness in the overtime assignment process.

51. Conduct Periodic Review and Continuous Improvement:

- Conduct periodic audits of the overtime sign-up process to identify recurring errors or inefficiencies.
- Use feedback from staff to improve the process and maintain trust in overtime distribution.

Chief People Office (Human Capital and Development):

Finding J: Overpayment of Military Leave Pay

52. Recover Overpayment:

- Initiate corrective action to recover the overpaid amount of \$376.88 from the employee, in accordance with Metro payroll recovery procedures and applicable labor laws.
- Ensure repayment agreements are documented and communicated clearly to avoid disputes.

53. Strengthen Review Controls:

- Require a second-level payroll verification for all military leave pay calculations to ensure accuracy of hours and pay rates.
- Include a checklist to verify that hours paid do not exceed policy limits and that correct rates are applied.

54. Provide Training and Guidance:

- Provide refresher training to payroll staff on Metro Policy HR 14 and California military leave pay requirements.

**Audit of Overtime Controls for Metro Transit Security Officers and
Security Control Specialists**

Office of the Inspector General

Report No. 26-AUD-06

- Develop clear guidance documents detailing calculation procedures, maximum hours, and pay rate application for military leave.

55. Document Lessons Learned:

- Update internal procedures to highlight common errors and corrective actions regarding military leave payments.

MANAGEMENT COMMENTS TO RECOMMENDATIONS

On February 9, 2026, we provided Metro Management our draft report. By March 13, 2026, Metro management submitted their response summarizing their corrective actions. See Attachment C.

OIG EVALUATION OF MANAGEMENT RESPONSE

Metro Management's responses and corrective actions taken are responsive to the findings and recommendations in the report. Therefore, we consider all issues related to the recommendations resolved based on the corrective actions taken.

List of Eligible and Ineligible Earning Codes for Overtime Calculations

Earning Codes Eligible for Overtime Calculations	
Earning Code	Description
BER	Bereavement
HLF	Holiday Floating
HOL	Holiday Legal
II	Industrial Injury
IPD	Injured Partial Day
JUR	Jury Duty
PCT	Phy Exam On Co Time
RGW	Reg to Complete Work Week
REG	Regular
TDP	Transitional Duty Program
UNP	Union Bus Paid
VAC	Vacation
WNA	Witness-No Appearance

List of Eligible and Ineligible Earning Codes for Overtime Calculations

Earning Codes Ineligible for Overtime Calculations	
Earning Code	Description
ASD	Acting Sgt Diff 5%
ADM	Administrative Leave
CAN	Canine Handler Diff
DSL	Disability Leave/Long
SUS	Disciplinary Suspension
DIS	Dispatcher
DOG	Dog Assignment Costs
FML	Family Care Leave
FMS	Family Leave Sick
FMV	Family Leave Vacation
FTO	Field Training Officer
HLP	Holiday Premium
IIR	Indus Injury -Reoccur.
LC1	Labor Code 233 - Contract
LTE	Long Term Excuse Leave
LTS	Long Term Sick Leave
NEM	Non-Employee
OWP	Off With Permission
PS4	Prem Shift Diff 4.5%
PS5	Prem Shift Diff 7.5%
RNG	Rangemaster
RPD	Retro Pay Dollar
SDI	SDI Integration
STL	Settlement
S02	Shift 2%
S03	Shift 3%
S05	Shift 5%
SCC	Sick Cash In
SCK	Sick Pay
SOI	Sick Pay - Occup.Injury
SCW	Sick Without Pay
TAR	Tardy
TUI	Tuition Reimburse Taxable
UAL	Uniform Allowance
VCT	Vacation Bal At Term
VPO	Vacation Pay Off
WCI	Workers Comp Integration

Overtime Pay and Total Payroll of Top 50 Overtime Earners – FY25

Top Overtime Hours by Employee¹

Ranking	Title	Overtime Hours	% of Overtime Hours to Total Regular Hours for FY25	Overtime Pay	Average Overtime Rate per Hour	Total Payroll	% of Overtime Pay to Total Payroll
1	TRANSIT SECURITY OFCR II	1,602	77%	\$ 69,191.18	\$ 43.20	\$ 140,366.87	49%
2	TRANSIT SECURITY OFCR II	1,529	73%	\$ 86,868.44	\$ 56.83	\$ 177,477.08	49%
3	TRANSIT SECURITY OFCR II	1,479	71%	\$ 84,118.74	\$ 56.88	\$ 187,981.36	45%
4	TRANSIT SECURITY OFCR II	1,395	67%	\$ 79,532.88	\$ 57.01	\$ 179,530.18	44%
5	TRANSIT SECURITY OFCR II	1,274	61%	\$ 50,834.72	\$ 39.90	\$ 115,605.08	44%
6	SR TRANSIT SECURITY OFCR	1,248	60%	\$ 72,989.88	\$ 58.47	\$ 166,675.67	44%
7	SR TRANSIT SECURITY OFCR	1,215	58%	\$ 65,570.40	\$ 53.97	\$ 157,448.28	42%
8	TRANSIT SECURITY OFCR II	1,203	58%	\$ 44,805.95	\$ 37.25	\$ 103,453.71	43%
9	TRANSIT SECURITY OFCR II	1,189	57%	\$ 48,983.74	\$ 41.20	\$ 113,843.63	43%
10	SR TRANSIT SECURITY OFCR	1,186	57%	\$ 70,622.22	\$ 59.53	\$ 172,422.50	41%
11	TRANSIT SECURITY OFCR II	1,186	57%	\$ 67,326.36	\$ 56.79	\$ 160,311.89	42%
12	TRANSIT SECURITY OFCR II	1,176	57%	\$ 46,861.44	\$ 39.85	\$ 110,666.93	42%
13	TRANSIT SECURITY OFCR II	1,150	55%	\$ 48,255.20	\$ 41.96	\$ 115,927.95	42%
14	TRANSIT SECURITY OFCR II	1,142	55%	\$ 45,809.23	\$ 40.10	\$ 110,544.08	41%
15	TRANSIT SECURITY OFCR II	1,136	55%	\$ 46,801.46	\$ 41.19	\$ 118,135.50	40%
16	SR TRANSIT SECURITY OFCR	1,135	55%	\$ 66,862.05	\$ 58.91	\$ 162,193.04	41%
17	TRANSIT SECURITY OFCR I	1,132	54%	\$ 38,045.87	\$ 33.61	\$ 92,127.56	41%
18	TRANSIT SECURITY OFCR II	1,124	54%	\$ 63,708.64	\$ 56.68	\$ 141,802.72	45%
19	TRANSIT SECURITY OFCR II	1,120	54%	\$ 48,801.54	\$ 43.58	\$ 118,625.50	41%
20	TRANSIT SECURITY OFCR II	1,102	53%	\$ 45,243.76	\$ 41.07	\$ 111,244.17	41%
21	TRANSIT SECURITY OFCR II	1,087	52%	\$ 45,342.40	\$ 41.73	\$ 112,879.89	40%
22	TRANSIT SECURITY OFCR II	1,074	52%	\$ 48,658.62	\$ 45.32	\$ 122,518.46	40%
23	TRANSIT SECURITY OFCR II	1,066	51%	\$ 60,493.58	\$ 56.75	\$ 151,184.03	40%
24	TRANSIT SECURITY OFCR II	1,054	51%	\$ 59,843.66	\$ 56.78	\$ 144,839.95	41%
25	TRANSIT SECURITY OFCR II	1,033	50%	\$ 44,935.49	\$ 43.51	\$ 117,433.05	38%
26	TRANSIT SECURITY OFCR I	1,006	48%	\$ 34,463.01	\$ 34.27	\$ 89,251.43	39%
27	TRANSIT SECURITY OFCR II	997	48%	\$ 40,059.99	\$ 40.18	\$ 104,451.25	38%
28	TRANSIT SECURITY OFCR II	960	46%	\$ 38,606.28	\$ 40.20	\$ 102,772.31	38%
29	TRANSIT SECURITY OFCR II	957	46%	\$ 38,439.34	\$ 40.17	\$ 102,755.89	37%
30	TRANSIT SECURITY OFCR II	956	46%	\$ 54,537.83	\$ 57.08	\$ 141,891.30	38%
31	TRANSIT SECURITY OFCR II	940	45%	\$ 39,323.81	\$ 41.86	\$ 104,187.28	38%
32	TRANSIT SECURITY OFCR II	934	45%	\$ 33,652.04	\$ 36.05	\$ 90,026.31	37%
33	TRANSIT SECURITY OFCR II	930	45%	\$ 37,270.07	\$ 40.09	\$ 101,673.50	37%
34	SR TRANSIT SECURITY OFCR	928	45%	\$ 54,625.53	\$ 58.90	\$ 150,912.55	36%
35	TRANSIT SECURITY OFCR II	905	43%	\$ 35,930.69	\$ 39.71	\$ 102,301.64	35%
36	TRANSIT SECURITY OFCR II	904	43%	\$ 35,825.70	\$ 39.64	\$ 99,985.92	36%
37	TRANSIT SECURITY OFCR II	903	43%	\$ 40,904.11	\$ 45.28	\$ 113,313.51	36%
38	TRANSIT SECURITY OFCR II	899	43%	\$ 35,781.33	\$ 39.80	\$ 100,091.44	36%
39	SR TRANSIT SECURITY OFCR	879	42%	\$ 52,373.74	\$ 59.62	\$ 146,573.10	36%
40	TRANSIT SECURITY OFCR II	877	42%	\$ 49,798.85	\$ 56.78	\$ 138,779.24	36%
41	TRANSIT SECURITY OFCR II	863	41%	\$ 30,715.84	\$ 35.59	\$ 86,807.29	35%
42	TRANSIT SECURITY OFCR II	862	41%	\$ 30,250.04	\$ 35.09	\$ 87,083.47	35%
43	TRANSIT SECURITY OFCR II	844	41%	\$ 34,561.23	\$ 40.96	\$ 100,010.91	35%
44	TRANSIT SECURITY OFCR II	838	40%	\$ 33,621.57	\$ 40.10	\$ 96,971.29	35%
45	TRANSIT SECURITY OFCR II	833	40%	\$ 35,029.53	\$ 42.07	\$ 99,658.70	35%
46	TRANSIT SECURITY OFCR II	808	39%	\$ 32,885.99	\$ 40.73	\$ 98,310.58	33%
47	TRANSIT SECURITY OFCR II	804	39%	\$ 32,905.19	\$ 40.91	\$ 99,257.62	33%
48	TRANSIT SECURITY OFCR II	802	39%	\$ 36,439.19	\$ 45.44	\$ 106,279.57	34%
49	TRANSIT SECURITY OFCR II	797	38%	\$ 28,604.71	\$ 35.89	\$ 83,629.52	34%
50	TRANSIT SECURITY OFCR II	789	38%	\$ 31,637.02	\$ 40.09	\$ 97,093.51	33%
TOTAL		52,247		\$ 2,398,750.08		\$ 6,049,308.21	

(Regular Hours: 2,080)

¹ Detailed information for the employees included in this table is available for Metro management’s review upon request.

Management Comments to Draft Report

Department of Public Safety



Metropolitan Transportation Authority

Metro

Interoffice Memo

Date:	February 20, 2026
To:	Sr. Manager, Audit Office of Inspector General
From:	William Scott, <i>WS</i> Chief of Police and Emergency Management
cc:	
Subject:	Response(s) to Audit Recommendations in Report No. 26-AUD-06

Thank you for the opportunity to respond to the finding(s) and recommendation(s) in the draft report (Audit Report No. 26-AUD-06, Review of Controls Over Overtime of Metro Transit Security Officers and Security Control Specialists Aud-26-02) prior to the release of the final report. We have reviewed the draft report and provide our response(s) to the recommendation(s) below.

RECOMMENDATION(S):

Finding A: Actual Overtime Cost Exceeded the Budget

1. Improve Overtime Budget Development and Controls.

- Establish procedures to reduce overtime and ensure that budgets are based on accurate staffing levels. Overtime planning and budget development should consider special events and anticipated operational needs. Budget assumptions must be clearly documented and reviewed during management transitions to minimize the risk of data entry errors or underfunding. Additionally, management should increase efforts to operate within established budgets, promoting more efficient and cost-effective operations.

2. Strengthen Overtime Monitoring and Reporting.

- Implement regular monitoring of overtime expenditures against budgeted amounts throughout the fiscal year. Management should review variance reports and take timely corrective action when overtime costs exceed established thresholds.

3. Evaluate Staffing Levels and Hiring Strategies.

- Assess whether additional permanent positions are warranted to meet operational requirements and reduce reliance on sustained overtime.

Management Comments to Draft Report

Department of Public Safety (Continued)

Consideration should be given to the cost-effectiveness and workforce sustainability of hiring additional staff versus continued use of overtime.

4. Develop a Long-Term Workforce Planning Strategy.

- Create a workforce plan that aligns staffing, overtime usage, and budget projections with anticipated system demands. The plan should address succession planning, management transitions, and mechanisms to reduce reliance on extended overtime while maintaining service coverage and safety.

MANAGEMENT RESPONSE: AGREES

1. Management will re-evaluate deployment process to best utilize our resources, cost effectively and efficiently. Discussions at budget development to establish thresholds for special events and potential extra needs going forward.
2. The new payroll system, WFM, will run weekly reports on overtime hours and costs, so management can monitor any variances and determine any areas where overtime is exceeding established cost thresholds.
3. Management will evaluate whether additional permanent positions are needed.
4. Management will determine a workforce strategy to enable less reliance on overtime to fill demands. This strategy will consider deployment, budget, staffing modules, and anticipated needs to determine the best course for action moving forward.

IMPLEMENTATION DATE:

Re-evaluate Deployment – August 2026
Workforce Strategy Plan – August, 2026
Reports – Weekly starting in May, 2026

Finding B: Overpayment/Underpayment of Overtime Due to Incorrect Earning Codes

5. Implement Automated System Controls in the Timekeeping and Payroll System

Work with Information Technology Services to configure system validation rules that prevent ineligible earning codes from being counted toward the 40-hour workweek threshold.

- Configure system rules to automatically exclude ineligible earning codes (e.g., Sick Pay, Administrative Leave, Off with Permission) from counting toward the 40-hour overtime threshold.
- Set up validation alerts or error messages to flag overtime entries that appear inconsistent with allowable earning codes.

Management Comments to Draft Report

Department of Public Safety (Continued)

- Require system prompts for approvers to review any overtime that is generated by a combination of eligible and ineligible codes.
- 6. Strengthen Supervisor Review and Approval Procedures**
- Reinforce expectations that Supervisors verify the accuracy of earning codes and weekly hour totals prior to approving timesheets.
 - Require periodic refresher training for Supervisors on timekeeping rules and collective bargaining agreement (CBA) provisions.
 - Implement a checklist or standardized approval guidance that highlights common coding errors and high-risk areas.
- 7. Provide Mandatory Refresher Training for Timekeepers**
- Conduct training on eligible versus ineligible earning codes for overtime calculations, including examples of common mistakes leading to overpayment or underpayment.
 - Distribute a quick-reference guide or job aid summarizing proper coding and overtime rules.
 - Enforce periodic retraining or certification for timekeepers to ensure ongoing competency.
- 8. Enhance Payroll Review and Monitoring Controls**
- Require Payroll staff to perform a secondary review of overtime hours each pay period, focusing on employees whose total hours fall close to the 40-hour threshold.
 - Strengthen review and approval procedures by requiring a secondary review of overtime submissions to verify the accuracy of earning codes before approval.
- 9. Align Policies and Procedures with the CBA and Communicate Changes**
- Update Transit Security's timekeeping and overtime procedures to clearly reflect which codes are included or excluded in the overtime calculation under the Teamsters agreement.
 - Issue updated procedures to all Supervisors, timekeepers, and Payroll staff, and obtain signed acknowledgment.
 - Ensure that any future CBA changes are promptly incorporated into system controls and workflow documentation.
- 10. Perform Periodic Internal Audits or Spot Checks**
- Conduct periodic spot reviews of earning codes and overtime calculations for selected pay periods, especially during periods of staffing changes or revised CBA provisions.
 - Compare reported hours to system-generated totals to ensure consistency and identify emerging trends or weaknesses.

Management Comments to Draft Report

Department of Public Safety (Continued)

MANAGEMENT RESPONSE: AGREES

5. MTS will be moving to an automated payroll system, WFM in May, 2026. This new system will have validation rules that will eliminate the payment issues with incorrect earning codes.
6. Supervisory training will be mandatory with the implementation of the new WFM system. Training guides will be given to all supervisors for use with common situations for reference. Monthly reports will be run to show any concerns or issues that will need additional training and/ or disciplinary actions, if needed.
7. Timekeeper training will be mandatory with the implementation of the new WFM system. Training guides will be given to all timekeepers for use with common situations for reference. Monthly reports will be run to show any concerns or issues that will need additional training and/ or disciplinary actions, if needed.
8. Overtime reports will be run every pay period for monitoring and accuracy of overtime entries, all timekeepers will review and monitor reports.
9. Timekeeping procedures will be updated to reflect correct coding and CBA agreements. Updated procedures will be issued and will obtain signed acknowledge.
10. Quarterly reviews will be conducted to ensure consistency and accuracy.

IMPLEMENTATION DATE:

Training – May, 2026

Procedures for Timekeepers – May, 2026

Reports – Bi-Weekly, Monthly, and Quarterly starting in May, 2026

Finding C: Weekly Overtime Thresholds Exceeded by Some Employees

11. Reinforce and Communicate Overtime Policy Requirements

- Formally re-communicate the 32-hour weekly overtime limit to all Transit Security personnel and supervisory staff.
- Ensure the policy is included in onboarding materials and periodic refresher trainings.

12. Implement a Preventive Overtime Monitoring Process

- Monitor overtime usage in real time or near real time using available scheduling or payroll systems.
- Establish a weekly overtime dashboard or automatic alerts to identify employees who are approaching the 32-hour limit.

13. Require Documented Justification and Approval for All Exceedances

- Ensure the required authorization form is completed, retained, and reviewed for completeness for any overtime that exceeds 32 hours per week.

Management Comments to Draft Report

Department of Public Safety (Continued)

- Escalate to management Instances without proper approvals and address through corrective action, coaching, or retraining, depending on severity and frequency.

14. Integrate Overtime Controls into Scheduling Practices

- Require scheduling staff to review weekly overtime projections when assigning shifts. Assigning shifts that knowingly put employees above the 32-hour limit should be prohibited unless a documented operational necessity exists and advance approval has been secured.

15. Perform Periodic Management Review of Overtime Trends

- Conduct quarterly reviews of overtime usage by employee, shift, and location to identify patterns, operational drivers, or staffing shortages contributing to excessive overtime. Results should be used to inform workforce planning, hiring needs, or shift adjustments.

16. Establish Accountability for Non-Compliance

- Define clear consequences for repeated policy violations, such as failure to obtain required approvals or scheduling employees beyond allowable limits. Accountability measures may include supervisor coaching, written reminders, or escalation to higher-level management for persistent non-compliance.

17. Assess Fatigue and Safety Risks Associated with High Overtime

- Evaluate safety implications for posts requiring heightened attention or rapid response and consider implementing post-rotation guidelines or mandatory rest periods when overtime approaches higher thresholds.

18. Assess Current Vacancy Rates and Align Staffing Levels with Operational Needs

19. **Implement a Strategic Workforce Planning Approach that Prioritizes Reviewing and Filling Persistent Vacancies in Critical Classifications to Mitigate Excessive and Costly Overtime.**

MANAGEMENT RESPONSE: AGREES

11. Transit Security Management will re-communicate the 32- hour weekly overtime limit to all supervisors with a requirement to obtain a signed acknowledgement of understanding. This will also be included as on-board training for all new supervisors.
12. The new payroll system, WFM, will have a threshold “error code” prompt that will alert the supervisor when scheduling the employee who has reached the 32-hour threshold.
13. The new payroll system, WFM, will have a threshold “error code” prompt that will require a justification if the employee is allowed to exceed the 32-Hour overtime

Management Comments to Draft Report

Department of Public Safety (Continued)

- policy. A weekly report will be run and monitored by the Timekeepers for accuracy, performance review, frequency, and retraining if needed.
14. Timekeeping procedures will be updated to reflect weekly review of projected overtime needs for supervisors. Updated procedures will be issued and will obtain signed acknowledge. The new payroll system, WFM, will produce an error code when entering a shift for an employee that puts their overtime over 32 hours.
 15. Quarterly reviews will be conducted to review trends and needs using new system/reports. Timekeepers will review and identify patterns, areas of excess overtime use, to help Management reassess scheduling.
 16. With weekly and quarterly review of payroll processes in new system, Management will have information that can be used for performance evaluations. Supervisors will be held accountable for discrepancies, and violations, that will demand additional training and / or disciplinary action if needed.
 17. Management will review.
 18. Management will review.
 19. Management will review.

IMPLEMENTATION DATE:

System Upgrades – May, 2026

Procedures for Supervisors / Timekeepers – May, 2026

Reports – Weekly, Monthly, and Quarterly starting in May, 2026

Re-evaluate Deployment – August 2026

Workforce Strategy Plan – August, 2026

Finding D: Overtime in Excess of 32 Hours per Week Without Prior Written Authorization

20. Reinforce the Requirement for Prior Written Authorization

- Re-communicate the policy that employees must obtain written approval *before* working overtime in excess of 32 hours per week. This should include reminders during shift briefings, email notifications, and periodic policy refreshers to ensure all employees and Watch Commanders understand the requirement.
- Ensure the policy is included in onboarding materials and periodic refresher trainings.

21. Implement Automated Alerts for Employees Approaching the 32-Hour Threshold

- Ensure that the payroll or scheduling system generates automated notifications to both the employee and the Watch Commander when an

Management Comments to Draft Report

Department of Public Safety (Continued)

employee is projected to exceed 32 overtime hours in a week. This will prompt timely submission and approval of the Authorization to Exceed 32 Hours of Overtime form.

22. Establish a Standardized Submission Timeline and Escalation Process

- Set clear expectations that authorization forms must be submitted before the start of the shift in which overtime will exceed the limit. For instances in which the form is not submitted on time, an escalation protocol should be implemented, requiring Watch Commander justification and higher-level review before payroll processing.

23. Require Watch Commander Accountability for Late or Missing Forms

- Remind supervisors that they are responsible for ensuring that overtime is pre-approved. Late submissions should be tracked, and repeated noncompliance should be addressed through performance counseling or refresher training.

24. Centralize Tracking and Periodic Review of Authorization Forms

- Require Transit Security Timekeepers to maintain a centralized repository for all approved Authorization to Exceed 32 Hours of Overtime forms, including dates of receipt and approval. This will assist with compliance monitoring, audit readiness, and improved transparency in overtime decision-making. A monthly or quarterly compliance report should be provided to management to identify trends, monitor adherence, and detect recurring issues.

25. Provide Refresher Training on Overtime Processes for Employees and Watch Commanders

- Conduct regular training or brief refresher sessions to ensure all personnel understand how to complete the authorization form, the need for timely approval, and the consequences of noncompliance.

MANAGEMENT RESPONSE: AGREES

20. Transit Security Management will re-communicate the 32-hour weekly overtime limit to all employees with a requirement to obtain a signed acknowledgement of understanding. This will also be included as on-board training for all new employees.
21. The new payroll system, WFM, will have a threshold "error code" prompt that will alert the supervisor when scheduling the employee who has reached the 32-hour threshold.
22. Timekeeping procedures will be updated to reflect new process for paperwork submittals with new payroll system. A weekly report will be run and monitored by the Timekeepers for accuracy, performance review, frequency, and retraining if needed. Updated procedures will be issued and will obtain signed acknowledgement.

Management Comments to Draft Report

Department of Public Safety (Continued)

23. Supervisors will be held accountable for discrepancies, and violations, that will demand additional training and / or disciplinary action if needed.
24. Timekeepers will maintain a centralized process for all recordkeeping for payroll, with a focus on specialized folders, whether digital or not, that house compliance items. Quarterly reports will be provided to management with status.
25. Refresher training will be established and provided once new procedures have been established with new system.

IMPLEMENTATION DATE:

Communicate Procedures for Officers – May, 2026

Procedures for Timekeepers – May, 2026

Reports – Weekly, Monthly, and Quarterly starting in May, 2026

Finding E: Lunch Break Erroneously Included in Overtime Hours

26. Enhance Employee Training on Overtime Reporting

- Conduct refresher training for all Transit Security staff on how to correctly report overtime hours, specifically emphasizing that lunch breaks and other non-work periods should not be included in overtime calculations. Include examples from prior errors to illustrate common mistakes.

27. Update Standard Operating Procedures (SOPs)

- Revise or update the SOPs for overtime reporting to explicitly address the treatment of meal periods. Ensure these procedures are readily accessible in both electronic and printed formats for employees and supervisors.

28. Implement System Validations in MTS Roll-Out

- Collaborate with Information Technology Services to configure the MTS Roll-Out system to flag potential errors automatically, such as when overtime hours include typical break periods or exceed standard shift durations.

29. Reinforce Supervisor Review and Approval

- Reinforce the requirement for supervisors to carefully review overtime submissions in the Roll-Out system prior to approval. Supervisors should verify that reported hours match actual work performed and exclude non-compensable periods.

MANAGEMENT RESPONSE: AGREES

26. Transit Security Management will re-communicate lunch break guidelines and rules to the supervisors. Discussion will have a focus on lunchtime vs. overtime with a requirement to obtain a signed acknowledgement of understanding.

Management Comments to Draft Report

Department of Public Safety (Continued)

27. Payroll SOPs will be updated with new processes once new payroll system is established. Copies of the SOPs will be distributed to all employees of Transit Security.
28. The new payroll system, WFM, will flag potential errors automatically that do not fall within common shift configurations.
29. New payroll system will require supervisors to review weekly reg/overtime submissions prior to approval. This will allow management to review schedules and actual work.

IMPLEMENTATION DATE:

Communicate Procedures for Supervisors – May, 2026

SOP Updated – June, 2026

Finding F: Overtime of 30 Minutes Due to Skipped Lunch Break

- 30. Strengthen Staffing and Coverage Controls**
 - Assess staffing levels and scheduling practices within the Watch to ensure sufficient coverage during meal periods. This may include implementing staggered lunches, float coverage, or temporary reassignments to avoid requiring employees to remain at consoles.
- 31. Reinforce Policy Expectations on Meal Breaks**
 - Reiterate to supervisors and employees that skipping lunch is allowed only under bona fide exigent circumstances, consistent with Labor Code § 512 and the Teamsters Agreement. Non-exigent operational gaps should not result in missed meal periods.
- 32. Enhance Documentation Requirements**
 - Require supervisors and employees to clearly document the specific circumstances leading to each missed lunch, including whether the situation qualifies as an exigent event. Documentation should be consistent, descriptive, and retained for audit and compliance purposes.
- 33. Implement Monitoring and Trend Analysis**
 - Establish periodic reviews of 30-minute overtime entries to identify patterns, repeat occurrences, and units experiencing frequent staffing shortages. Early detection will allow management to intervene proactively.
- 34. Evaluate the Need for Additional Training or Guidance**
 - Provide supervisors with training on meal-period compliance requirements, proper documentation standards, and appropriate decision-making when staff request or are instructed to skip lunch.

Management Comments to Draft Report

Department of Public Safety (Continued)

MANAGEMENT RESPONSE: AGREES

30. Transit Security has strengthened their staff and may continue to do so. The supervisors will continue to monitor for sufficient coverage, by using techniques like staggering lunch breaks, or temporary re-assignments to avoid requiring employees to work through their lunch.
31. Transit Security Management will re-communicate lunch break guidelines and rules to the supervisors and staff and will require a signed acknowledgement of understanding.
32. The new payroll system will require a mandatory comment if approving a paid lunch break. Training on required comments and appropriate information will be given to supervisors once system is available for use. A signed acknowledgement of understanding will be required.
33. Timekeepers will run reports weekly in new system to review if paid lunches were approved and if appropriate comments were added. Information will be given to management for performance and/or additional training.
34. Management will review.

IMPLEMENTATION DATE:

**Communicate Procedures to Supervisors – May, 2026
Reports – Weekly starting in May, 2026**

Finding G: Discrepancy in Reported Overtime Hours

35. **Implement a Formal Reconciliation Process**
 - Establish and document a standardized reconciliation procedure to ensure that overtime hours in the Payroll system match those reported in the Roll-Out Overtime Detail Report before payroll is processed. This procedure should require supervisors or payroll staff to verify and resolve all variances prior to payroll submission.
36. **Strengthen System Interface Controls**
 - Work with ITS and system administrators to assess and improve the data interface between the Roll-Out scheduling system and the Payroll system. Enhancements should ensure that overtime entries automatically transfer, are complete, and accurately reflect approved hours. Any system limitations should be documented and compensated for with manual controls.
37. **Require Documentation of Manual Adjustments**
 - Require supporting documentation and corresponding updates to the Roll-Out system when overtime adjustments must be entered manually into the Payroll system. All manual entries should be reviewed and approved by a supervisor who can confirm that the edits align with actual hours worked.

Management Comments to Draft Report

Department of Public Safety (Continued)

- 38. Provide Training to Supervisors and Payroll Staff**
- Conduct refresher training for supervisors and timekeepers on overtime reporting requirements, system processes, and reconciliation expectations. Training will help ensure consistent application of procedures and reduce errors resulting from inconsistent data entry or misunderstanding of the workflow.
- 39. Perform Periodic Monitoring and Quality Assurance Reviews**
- Institute periodic oversight reviews to validate the accuracy of overtime reporting between the two systems. These reviews should focus on identifying recurring discrepancies, assessing root causes, and confirming that corrective actions implemented are effective in preventing future variances.
- 40. Communicate Corrections and Provide Feedback**
- Notify affected employees promptly when payroll corrections occur due to reporting errors and provide feedback to prevent recurrence. This reinforces accountability and improves accuracy over time.

MANAGEMENT RESPONSE: AGREES

35. Payroll SOPs will be updated with new processes once new payroll system is established.
36. Will review scheduling software and how it will work with new payroll system. If Enhancements are available for interfacing, Timekeepers will work with system administrators to include.
37. New payroll system requires comments to be added when manually entering overtime. Weekly overtime reports will recognize the edits, who entered them and the comments provided.
38. Training will be required of all supervisors and Timekeepers pertaining to system processes, reporting, overtime, etc. Working with system administrators to have guidelines and reference material to give to all user for daily use.
39. Quarterly reviews will be conducted to review the accuracy between both systems. Review for discrepancies, work with ITS to upgrade any inefficiencies or inaccurate report that needs to be reworked.
40. Timekeepers will notify employees promptly when payroll corrections are needed. They will also notify the employees supervisor.

IMPLEMENTATION DATE:

System Upgrades – May, 2026

Procedures for Supervisors / Timekeepers – May, 2026

Management Comments to Draft Report

Department of Public Safety (Continued)

Training – May, 2026

Reports – Weekly, and Quarterly starting in May, 2026

Finding H: Inconsistencies in Entering Overtime Hours in the Scheduling Software

41. **Reinforce Standardized Time-Entry Protocols**
 - Issue a clear, updated directive detailing the correct format for entering partial hours in the new system, with specific examples illustrating the required conventions.
42. **Provide Targeted Refresher Training**
 - Conduct short, mandatory refresher sessions for all staff responsible for time entry. Training should emphasize the differences between the old and new systems, highlight common errors observed during the transition, and include hands-on practice.
43. **Implement Validation or System Controls**
 - Work with the software administrator to explore whether the system can reject or flag incorrect formats (e.g., “.5”) to prevent inaccurate entries at the point of input.
44. **Strengthen Supervisory Review**
 - Require supervisors to perform routine reviews of overtime entries during the transition period to identify and correct any remaining inconsistencies before payroll processing.
45. **Monitor and Follow Up.**
 - For a defined period, periodically review Overtime Detail Reports to confirm that the corrective measures are effective and that incorrect entries no longer occur.

MANAGEMENT RESPONSE: AGREES

41. Payroll SOPs will be updated and include the proper format for entering partial hours with examples for reference once new payroll system is established.
42. Refresher training will be provided for all supervisors. This training will be needed when new payroll system goes live so that employee time is entered properly.
43. Will consult ITS on the need for a flag that will reject incorrect formats in the software system.
44. Management to discuss with supervisors the concerns with inconsistencies of overtime entries on the scheduling software. Will work together to build a process for daily/weekly review with consequences if not performed.

Management Comments to Draft Report

Department of Public Safety (Continued)

45. After process has been determined, Timekeepers will run Overtime Detail Reports on a weekly basis to review with actual patrol for discrepancies. Once Management feels that the corrective measures are effective, the review will stop.

IMPLEMENTATION DATE:

System Upgrades – May, 2026

Procedures for Supervisors / Timekeepers – May, 2026

Training – May, 2026

Reports – Weekly starting in May, 2026

Finding I: Overtime Sign-Up Discrepancies in the Rollout

- 46. Implement a Standardized Overtime Sign-Up Workflow:**
- Develop and document a formal procedure for creating, updating, and publishing the Roll-Out to ensure consistency.
 - Include step-by-step guidance on how to handle seniority “bumping” and how changes should be reflected in the final Roll-Out.
- 47. Automate Tracking and Updates Where Possible:**
- Explore using the MTS Roll-Out software to automatically track sign-ups, bumps, and final confirmations.
 - Reduce reliance on manual updates to minimize human error and discrepancies.
 - Retain copies of the original Roll-Out for a reasonable period to serve as a reference in case disputes or questions arise regarding overtime assignments.
- 48. Introduce Verification and Audit Checks:**
- Require a secondary review or cross-check of the final Roll-Out by a supervisor before publication to confirm all assignments are accurate.
- 49. Enhance Communication with Staff:**
- Notify employees immediately of any changes to their assignments and provide a clear explanation for the update.
- 50. Provide Training for Roll-Out Management:**
- Train staff responsible for preparing and updating the Roll-Out on the correct procedures and use of the software system.
 - Emphasize the importance of accuracy and fairness in the overtime assignment process.
- 51. Conduct Periodic Review and Continuous Improvement:**

Management Comments to Draft Report

Department of Public Safety (Continued)

- Conduct periodic audits of the overtime sign-up process to identify recurring errors or inefficiencies.
- Use feedback from staff to improve the process and maintain trust in overtime distribution.

MANAGEMENT RESPONSE: AGREES

- 46. Payroll SOPs will be updated and include a formal procedure for the Rollout process once new payroll system is established.
- 47. Will discuss with ITS the possibility of adding an automated process to the Rollouts pertaining to tracking sign-ups, bumps and final confirmations.
- 48. Will work with ITS to finalize the scheduling software to track changes between original and final rollouts. Include a report that can be produced with all editions or changes made.
- 49. Management will determine the best process to notify staff of any changes to their assignments that will include a clear explanation of the changes and determine a process for the staff to offer their issues and/or discrepancies to Management so that they can get direction promptly.
- 50. Refresher training will be provided for all supervisors. This training will be needed when new payroll system goes live so that each system works properly together.
- 51. Management will determine a quarterly audit check process to identify errors or discrepancies.

IMPLEMENTATION DATE:

System Upgrades – May, 2026

Procedures for Supervisors / Timekeepers – May, 2026

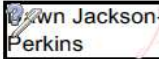
Training – May, 2026

Management Comments to Draft Report

Chief People Office


Metro

Interoffice Memo

Date	March 13, 2026	
To	Yvonne Zheng Senior Manager, Audit Office of the Inspector General	
From	Dawn Jackson-Perkins Chief People Officer	 <small>Digitally signed by Dawn Jackson-Perkins Date: 2026.03.13 09:33:17 -0700</small>
Subject	Audit of Overtime Controls for Metro Transit Security Officers and Security Control Specialists (Report No. 26-AUD-06)	

Thank you for the opportunity to respond to the findings and recommendations prior to the final release of the Audit Report. The Office of the Inspector General (OIG) conducted an audit of overtime controls for Metro Transit Security Officers (TSOs) and Security Control Specialists (SCSs). The objective of the audit was to assess whether overtime was properly authorized, accurately recorded, and compensated in accordance with applicable policies, labor agreements, and budgetary requirements. The audit was performed as part of OIG's oversight responsibilities to promote accountability, safety, integrity, and efficiency in Metro operations. Please see the responses below for the recommendation pertaining to the Chief People Office (CPO).

Recommendation

#52. **Recover Payment:**

- Initiate corrective action to recover the overpaid amount of \$376.88 from the employee, in accordance with Metro payroll recovery procedures and applicable labor laws.
- Ensure repayment agreements are documented and communicated clearly to avoid disputes.

Response: Agree; CPO's Human Resources Information Systems (HRIS) team investigated this overpayment and will work in coordination with the Payroll Department to initiate corrective actions to recover the overpaid amount of \$376.88 from the employee, upon their return from Military Leave, in accordance with Metro payroll recovery procedures and applicable labor laws. Additionally, the Chief People Office will ensure repayment agreements are documented and communicated clearly to avoid disputes.

Completion Date: Date is contingent on employee's return to work status.

#53. **Strengthen Review Controls:**

- Require a second-level payroll verification for all military leave pay calculations to ensure accuracy of hours and pay rates.
- Include a checklist to verify that hours paid do not exceed policy limits and that correct rates are applied.

Management Comments to Draft Report

Chief People Office (Continued)



Metro

Interoffice Memo

Response: Agree; CPO's HRIS team will strengthen review controls by requiring a second-level payroll verification for all military leave pay calculations to ensure accuracy of hours and pay rates and developing a checklist to verify that hours paid do not exceed policy limits and that correct rates are applied. Furthermore, Metro's new Payroll System, along with an upgraded HR system (Human Capital Management), when implemented will incorporate enhanced system-based controls to reduce manual intervention and mitigate the risk of calculation errors. These controls will enable automated validation rules to prevent payments exceeding policy thresholds, system-enforced rate tables to ensure correct pay calculations, workflow-based approval routing for military leave transactions, and audit trail functionality to improve transparency and accountability.

Completion Date: December 31, 2026

#54. **Provide Training and Guidance:**

- Provide refresher training to payroll staff on Metro Policy HR 14 and California military leave pay requirements.
- Develop clear guidance documents detailing calculation procedures, maximum hours, and pay rate application for military leave.

Response: Agree; CPO will provide refresher training to HRIS and Payroll staff regarding Metro Policy HR 14 and California military leave pay requirements. In addition, CPO will develop clear guidance documents detailing calculation procedures, maximum hours, and pay rate application for military leave.

Completion Date: September 30, 2026

#55. **Document Lessons Learned:**

- Upgrade internal procedures to highlight common errors and corrective actions regarding military leave payments.

Response: Agree; CPO will work in partnership with Payroll to upgrade internal procedures to highlight common errors and corrective actions regarding military leave payments.

Completion Date: September 30, 2026

Schedule of Recommendations and Proposed Actions

Recommendation	Staff Assigned	Agree/ Disagree	Proposed Action	Estimated Completion Date
<p>Finding B: Overpayment/Underpayment of Overtime Due to Incorrect Earning Codes</p> <p>5. Implement Automated System Controls in the Timekeeping and Payroll System Work with Information Technology Services to configure system validation rules that prevent ineligible earning codes from being counted toward the 40-hour workweek threshold.</p> <ul style="list-style-type: none"> ○ Configure system rules to automatically exclude ineligible earning codes (e.g., Sick Pay, Administrative Leave, Off with Permission) from counting toward the 40-hour overtime threshold. ○ Set up validation alerts or error messages to flag overtime entries that appear inconsistent with allowable earning codes. ○ Require system prompts for approvers to review any overtime that is generated by a combination of eligible and ineligible codes. <p>6. Strengthen Supervisor Review and Approval Procedures</p> <ul style="list-style-type: none"> ○ Reinforce expectations that Supervisors verify the accuracy of earning codes and weekly hour totals prior to approving timesheets. 	DPS (MTS)	Agree	<p>5. MTS will be moving to an automated payroll system, WFM in May, 2026. This new system will have validation rules that will eliminate the payment issues with incorrect earning codes.</p> <p>6. Supervisory training will be mandatory with the implementation of the new WFM system. Training guides will be given to all supervisors for use with</p>	<p>May 2026</p> <p>May 2026</p>

Schedule of Recommendations and Proposed Actions

Recommendation	Staff Assigned	Agree/ Disagree	Proposed Action	Estimated Completion Date
<ul style="list-style-type: none"> ○ Require periodic refresher training for Supervisors on timekeeping rules and collective bargaining agreement (CBA) provisions. ○ Implement a checklist or standardized approval guidance that highlights common coding errors and high-risk areas. <p>7. Provide Mandatory Refresher Training for Timekeepers</p> <ul style="list-style-type: none"> ○ Conduct training on eligible versus ineligible earning codes for overtime calculations, including examples of common mistakes leading to overpayment or underpayment. ○ Distribute a quick-reference guide or job aid summarizing proper coding and overtime rules. ○ Enforce periodic retraining or certification for timekeepers to ensure ongoing competency. <p>8. Enhance Payroll Review and Monitoring Controls</p> <ul style="list-style-type: none"> ○ Require Payroll staff to perform a secondary review of overtime hours each pay period, 		<p style="text-align: center;">Agree</p> <p style="text-align: center;">Agree</p>	<p>common situations for reference. Monthly reports will be run to show any concerns or issues that will need additional training and/or disciplinary actions, if needed.</p> <p>7. Timekeeper training will be mandatory with the implementation of the new WFM system. Training guides will be given to all timekeepers for use with common situations for reference. Monthly reports will be run to show any concerns or issues that will need additional training and/or disciplinary actions, if needed.</p> <p>8. Overtime reports will be run every pay period for monitoring and accuracy of overtime</p>	<p style="text-align: center;">May 2026</p> <p style="text-align: center;">May 2026</p>

Schedule of Recommendations and Proposed Actions

Recommendation	Staff Assigned	Agree/ Disagree	Proposed Action	Estimated Completion Date
<p>15. Perform Periodic Management Review of Overtime Trends</p> <ul style="list-style-type: none"> ○ Conduct quarterly reviews of overtime usage by employee, shift, and location to identify patterns, operational drivers, or staffing shortages contributing to excessive overtime. Results should be used to inform workforce planning, hiring needs, or shift adjustments. <p>16. Establish Accountability for Non-Compliance</p> <ul style="list-style-type: none"> ○ Define clear consequences for repeated policy violations, such as failure to obtain required approvals or scheduling employees beyond allowable limits. Accountability measures may include supervisor coaching, written reminders, or escalation to higher-level management for persistent non-compliance. <p>17. Assess Fatigue and Safety Risks Associated with High Overtime</p> <p>Evaluate safety implications for posts requiring heightened attention or rapid response and consider implementing post-</p>		<p>Agree</p> <p>Agree</p> <p>Agree</p>	<p>15. Quarterly reviews will be conducted to review trends and needs using new system/reports. Timekeepers will review and identify patterns, areas of excess overtime use, to help Management reassess scheduling.</p> <p>16. With weekly and quarterly review of payroll processes in new system, Management will have information that can be used for performance evaluations. Supervisors will be held accountable for discrepancies, and violations, that will demand additional training and / or disciplinary action if needed.</p> <p>17. Management will review.</p>	<p>May 2026</p> <p>May 2026</p> <p>August 2026</p>

Schedule of Recommendations and Proposed Actions

Recommendation	Staff Assigned	Agree/ Disagree	Proposed Action	Estimated Completion Date
<p>rotation guidelines or mandatory rest periods when overtime approaches higher thresholds.</p> <p>18. Asses Current Vacancy Rates and Align Staffing Levels with Operational Needs</p> <p>19. Implement a Strategic Workforce Planning Approach that Prioritizes Reviewing and Filling Persistent Vacancies in Critical Classifications to Mitigate Excessive and Costly Overtime.</p>		<p>Agree</p> <p>Agree</p>	<p>18. Management will review.</p> <p>19. Management will review.</p>	<p>August 2026</p> <p>August 2026</p>
<p>Finding D: Overtime in Excess of 32 Hours per Week Without Prior Written Authorization</p> <p>20. Reinforce the Requirement for Prior Written Authorization</p> <ul style="list-style-type: none"> ○ Re-communicate the policy that employees must obtain written approval <i>before</i> working overtime in excess of 32 hours per week. This should include reminders during shift briefings, email notifications, and periodic policy refreshers to ensure all employees and Watch Commanders understand the requirement. ○ Ensure the policy is included in onboarding materials and periodic refresher trainings. 	<p>DPS (MTS)</p>	<p>Agree</p>	<p>20. Transit Security Management will re-communicate the 32-hour weekly overtime limit to all employees with a requirement to obtain a signed acknowledgement of understanding. This will also be included as on-board training for all new employees.</p>	<p>May 2026</p>

Schedule of Recommendations and Proposed Actions

Recommendation	Staff Assigned	Agree/ Disagree	Proposed Action	Estimated Completion Date
<p>23. Require Watch Commander Accountability for Late or Missing Forms</p> <ul style="list-style-type: none"> ○ Remind supervisors that they are responsible for ensuring that overtime is pre-approved. Late submissions should be tracked, and repeated noncompliance should be addressed through performance counseling or refresher training. 		Agree	<p>23. Supervisors will be held accountable for discrepancies, and violations, that will demand additional training and / or disciplinary action if needed.</p>	May 2026
<p>24. Centralize Tracking and Periodic Review of Authorization Forms</p> <ul style="list-style-type: none"> ○ Require Transit Security Timekeepers to maintain a centralized repository for all approved Authorization to Exceed 32 Hours of Overtime forms, including dates of receipt and approval. This will assist with compliance monitoring, audit readiness, and improved transparency in overtime decision-making. A monthly or quarterly compliance report should be provided to management to identify trends, monitor adherence, and detect recurring issues. 		Agree	<p>24. Timekeepers will maintain a centralized process for all recordkeeping for payroll, with a focus on specialized folders, whether digital or not, that house compliance items. Quarterly reports will be provided to management with status.</p>	May 2026
<p>25. Provide Refresher Training on Overtime Processes for Employees and Watch Commanders</p> <ul style="list-style-type: none"> ○ Conduct regular training or brief refresher sessions to ensure all personnel understand how to complete the authorization form, the 		Agree	<p>25. Refresher training will be established and provided once new procedures have been established with new system.</p>	May 2026

Schedule of Recommendations and Proposed Actions

Recommendation	Staff Assigned	Agree/ Disagree	Proposed Action	Estimated Completion Date
<p>31. Reinforce Policy Expectations on Meal Breaks</p> <ul style="list-style-type: none"> ○ Reiterate to supervisors and employees that skipping lunch is allowed only under bona fide exigent circumstances, consistent with Labor Code § 512 and the Teamsters Agreement. Non-exigent operational gaps should not result in missed meal periods. <p>32. Enhance Documentation Requirements</p> <ul style="list-style-type: none"> ○ Require supervisors and employees to clearly document the specific circumstances leading to each missed lunch, including whether the situation qualifies as an exigent event. Documentation should be consistent, descriptive, and retained for audit and compliance purposes. 		<p>Agree</p> <p>Agree</p>	<p>temporary re-assignments to avoid requiring employees to work through their lunch.</p> <p>31. Transit Security Management will re-communicate lunch break guidelines and rules to the supervisors and staff and will require a signed acknowledgement of understanding.</p> <p>32. The new payroll system will require a mandatory comment if approving a paid lunch break. Training on required comments and appropriate information will be given to supervisors once system is available for use. A signed acknowledgement of understanding will be required.</p>	<p>May 2026</p> <p>May 2026</p>

Schedule of Recommendations and Proposed Actions

Recommendation	Staff Assigned	Agree/ Disagree	Proposed Action	Estimated Completion Date
<p>requirements, system processes, and reconciliation expectations. Training will help ensure consistent application of procedures and reduce errors resulting from inconsistent data entry or misunderstanding of the workflow.</p> <p>39. Perform Periodic Monitoring and Quality Assurance Reviews</p> <ul style="list-style-type: none"> ○ Institute periodic oversight reviews to validate the accuracy of overtime reporting between the two systems. These reviews should focus on identifying recurring discrepancies, assessing root causes, and confirming that corrective actions implemented are effective in preventing future variances. <p>40. Communicate Corrections and Provide Feedback</p> <ul style="list-style-type: none"> ○ Notify affected employees promptly when payroll corrections occur due to reporting errors, and provide feedback to prevent recurrence. This reinforces accountability and improves accuracy over time. 		<p>Agree</p> <p>Agree</p>	<p>processes, reporting, overtime, etc. Working with system administrators to have guidelines and reference material to give to all user for daily use.</p> <p>39. Quarterly reviews will be conducted to review the accuracy between both systems. Review for discrepancies, work with ITS to upgrade any inefficiencies or inaccurate report that needs to be reworked.</p> <p>40. Timekeepers will notify employees promptly when payroll corrections are needed. They will also notify the employees supervisor.</p>	<p>May 2026</p> <p>May 2026</p>

Schedule of Recommendations and Proposed Actions

Recommendation	Staff Assigned	Agree/ Disagree	Proposed Action	Estimated Completion Date
<p>publication to confirm all assignments are accurate.</p> <p>49. Enhance Communication with Staff:</p> <ul style="list-style-type: none"> ○ Notify employees immediately of any changes to their assignments and provide a clear explanation for the update. <p>50. Provide Training for Roll-Out Management:</p> <ul style="list-style-type: none"> ○ Train staff responsible for preparing and updating the Roll-Out on the correct procedures and use of the software system. ○ Emphasize the importance of accuracy and fairness in the overtime assignment process. <p>51. Conduct Periodic Review and Continuous Improvement:</p>		<p>Agree</p> <p>Agree</p> <p>Agree</p>	<p>original and final rollouts. Include a report that can be produced with all editions or changes made.</p> <p>49. Management will determine the best process to notify staff of any changes to their assignments that will include a clear explanation of the changes and determine a process for the staff to offer their issues and/or discrepancies to Management so that they can get direction promptly.</p> <p>50. Refresher training will be provided for all supervisors. This training will be needed when new payroll system goes live so that each system works properly together.</p> <p>51. Management will determine a quarterly</p>	<p>May 2026</p> <p>May 2026</p> <p>May</p>

Schedule of Recommendations and Proposed Actions

Recommendation	Staff Assigned	Agree/ Disagree	Proposed Action	Estimated Completion Date
<ul style="list-style-type: none"> ○ Conduct periodic audits of the overtime sign-up process to identify recurring errors or inefficiencies. ○ Use feedback from staff to improve the process and maintain trust in overtime distribution. 			audit check process to identify errors or discrepancies.	2026
<p>Finding J: Overpayment of Military Leave Pay</p> <p>52. Recover Overpayment:</p> <ul style="list-style-type: none"> ○ Initiate corrective action to recover the overpaid amount of \$376.88 from the employee, in accordance with Metro payroll recovery procedures and applicable labor laws. ○ Ensure repayment agreements are documented and communicated clearly to avoid disputes. 	CPO (HCD)	Agree	52. CPO's Human Resources Information Systems (HRIS) team investigated this overpayment and will work in coordination with the Payroll Department to initiate corrective actions to recover the overpaid amount of \$376.88 from the employee, upon their return from Military Leave, in accordance with Metro payroll recovery procedures and applicable labor laws. Additionally, the Chief People Office will ensure repayment agreements are documented and communicated clearly to avoid disputes.	Date is contingent on employee's return to work status.

Schedule of Recommendations and Proposed Actions

Recommendation	Staff Assigned	Agree/ Disagree	Proposed Action	Estimated Completion Date
<p>53. Strengthen Review Controls:</p> <ul style="list-style-type: none"> ○ Require a second-level payroll verification for all military leave pay calculations to ensure accuracy of hours and pay rates. ○ Include a checklist to verify that hours paid do not exceed policy limits and that correct rates are applied. 		Agree	<p>53. CPO's HRIS team will strengthen review controls by requiring a second-level payroll verification for all military leave pay calculations to ensure accuracy of hours and pay rates and developing a checklist to verify that hours paid do not exceed policy limits and that correct rates are applied. Furthermore, Metro's new Payroll System, along with an upgraded HR system (Human Capital Management), when implemented will incorporate enhanced system-based controls to reduce manual intervention and mitigate the risk of calculation errors. These controls will enable automated validation rules to prevent payments exceeding policy thresholds, system-enforced rate tables to ensure correct pay calculations, workflow-based approval routing for military leave transactions, and audit</p>	Dec. 31, 2026

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