LOS ANGELES POLICE DEPARTMENT

DOMINIC H. CHOI
Chief of Police

KAREN BASS
Mayor

P.O. Box 30158
Los Angeles, CA 90030
Telephone: (213) 486-8590
TTY: (877) 275-5273
Ref #: 3.5

May 31, 2024

The Honorable Public Safety Committee
Office of the City Clerk
Room 395, City Hall
Los Angeles, California 90012

Subject: Council File No. 24-0145 Relative to Embedding a Workday Technical Expert into the Los Angeles Police Department Payroll Section

Honorable Members:

The Los Angeles Police Department (LAPD/Department) was instructed, pursuant to a Motion (Rodriguez – McOsker; Council File 24-0145) to report on the scale and severity of the issues surrounding the Department's transition to the Human Resources & Payroll System (HRP/Workday) from the PaySR/Online Overtime Tracking System (PaySR/OLOTS) currently in place.

On behalf of the Department, I would like to express my appreciation for this Motion, and the support it provided that allowed us to have an embedded consultant on our team. This consultant has been instrumental in advocating for our specific needs, assisting with the detailed training of our divisional timekeepers, and helping ensure that our staff are as prepared as possible in their roles as we transition to the Workday payroll management system. The consultant's involvement is proving invaluable as he works alongside our team, guiding and supporting us through this complex transition.

As we continue our collaboration with the City's HRP Team to facilitate the system transition, there remain critical areas where additional support would be greatly beneficial, as follows:

Need for a Permanent Solution to Replace OLOTS

As the City transitions to the HRP/Workday payroll system, set to go live on June 16, 2024, critical functionalities related to LAPD overtime tracking and reporting, facilitated by the current system, OLOTS, will not be replicated. The HRP Team tasked Workday with creating Enterprise Interface Builders (EIBs) as a short-term workaround for recording Department overtime. The OLOTS-replacement EIB was presented to the Department as a solution until a Workday integration can be developed approximately one year after go-live. As of this writing, the EIB workaround tools are still under development, and we have significant concerns about their capability to manually replicate multiple tasks, most notably for their intended replacement of OLOTS, which processed over 26,000 lines of overtime transactions during the pay period ending 2/10/24. Our primary concern lies in their insufficient system validations for LAPD-

AN EQUAL EMPLOYMENT OPPORTUNITY EMPLOYER
www.LAPDonline.org
www.joinLAPD.com

specific scenarios, such as shifts that overlap pay periods and tracking by overtime code to provide reports to management, the Board of Police Commissioners, and the City Council. The EIB currently lacks the capability to capture all the details that timekeepers input into OLOTS. These details are essential not only for accurately calculating overtime hours but also for establishing a robust audit trail, which is crucial for ensuring compliance with the Fair Labor Standards Act (FLSA) and Memorandum of Understanding (MOU) rules.

Further, we have experienced errors in the EIB setup, including outdated copies and incorrect configurations for overtime calculations, particularly concerning the 171-hour rule relative to the FLSA and its application to approximately 8,800 sworn personnel. Finally, the need for manual reviews due to the system's inability to handle required calculations automatically, as is currently the case with OLOTS, will quickly overwhelm the LAPD Fiscal Group Payroll Section staff capacity, currently at 14 positions that review regular and overtime entries, as well as process prior pay period adjustments, for nearly 12,000 sworn and civilian employees.

171-Hour Compliance Issues

Current systems calculate the total hours an employee works over a 28-day deployment period (DP). The transition to Workday is set to occur in the middle of a DP, with the first pay period processed in PaySR and the second in Workday. Currently, there is no established solution for transferring the critical data from the first two weeks of the DP (weeks A and B) in PaySR to Workday, which will handle the processing for the last two weeks of the DP (weeks C and D). This data from weeks A and B is essential for accurately calculating the 160 and 171-hour FLSA/MOU rules. Without a proper data transfer mechanism in place, it appears that these calculations may need to be performed manually, which increases the risk of errors and non-compliance.

Another pressing issue is that Workday is not currently configured to fully manage the 160- and 171-hour FLSA/MOU rules. These rules require detailed and precise handling of overtime calculations and exclusions, including the exclusion of specific activity codes and types of banked overtime from the 171 calculations.

This functionality applies to an average of 1,000 transactions per deployment period and is crucial for ensuring compliance with labor regulations, preventing payroll errors, and avoiding incorrect payments or legal challenges. The current limitations of Workday and the EIBs in handling these nuanced requirements highlight the need for enhanced system validations and customizations to meet LAPD's operational and compliance standards. Additionally, these functionalities are essential for LAPD to manage City reimbursement processes and track overtime activities to provide transparency and accountability to City officials.

As of this writing, Workday has acknowledged that the necessary configurations may not be completed by the June 16 go-live date. The Department's position is that the system's ability to handle nuanced requirements needs thorough review and testing to prevent payroll errors and legal issues.

Dress Rehearsal

During HRP's dress rehearsal held between May 6 and 16, LAPD did not have access to several necessary tools, such as payroll and absence audit reports, and the ability to view reference identification information necessary to process the Adjust Time Off EIB. Security roles were limited in the HRP test environment, leaving Department staff unable to accurately add bonuses without routing them to a manager for approval, which lengthened the process to pay employees. The lack of access to these reports led to the inability to complete exercises as part of the dress rehearsal, resulting in a failure to identify errors. As of this writing, the Department, hampered in its ability to access these tools and identify errors, and without an overtime reporting tool in place, will not be able to run the payroll process from start to finish prior to go-live on June 16.

Access to Historical Payroll Data

The Department has concerns about accessing historical payroll data from PaySR after the transition to Workday, particularly for verification of employment (VOE) purposes. VOE requires providing three years of income information, including a breakdown of bonuses and overtime. With the HRP transition happening in the middle of the calendar year, payroll staff will need to access data from both PaySR (January to June) and Workday (July onwards) for 2024. Additionally, data from the previous two years (2023 and 2022) will also be required for VOE, which will need to be accessed from PaySR. This means that payroll staff will need to gather information from two separate systems (PaySR and Workday) to complete VOE requests, which may be time-consuming and complex. We are concerned about the increased number of manual processes, complexity, and time required to fulfill VOE and other requests accurately, given the need to navigate between two separate systems for historical payroll data. This will also impact the many requests that LAPD receives in conjunction with discovery and information required for the City Attorney and the Risk Management and Legal Affairs Division, as already burdensome tasks will become increasingly manual.

Conclusion

As we approach the go-live date, it is imperative that the City addresses these challenges to prevent potential disruptions to our payroll operations, help ensure accurate and timely pay, and ensure compliance with all applicable regulations. Failure to enhance the EIB functionalities, address smoothing issues, or fill critical positions could result in substantial operational inefficiencies, financial discrepancies, and FLSA-compliance violations. We urge prompt action and continued support to meet these essential requirements.

If there are any questions, please contact Police Administrator II Trina Unzicker, Commanding Officer, Fiscal Group, at (213) 486-8590.

Respectfully,

DOMINIC H. CHOI
Chief of Police

Cc: Matt Hale, Deputy Mayor of Finance, Operations, and Innovation
       Ted Ross, General Manager, Information Technology Agency
       Ben Ceja, Assistant City Administrative Officer
       Jon Ruprecht, Management Consulting Senior Manager, Accenture