

December 8, 2003

TO: Honorable Mayor and Members of the City Commission
FROM: Alan D. Ash, City Auditor
SUBJECT: Pay Study Review

RECOMMENDATION

The City Commission accept the City Auditor's report.

EXPLANATION

In May 2001, the City Commission received a status report from the Pay Study Team and requested that the Charter Officers provide solutions to resolve the issues concerning the Pay Study. After much discussion, a decision was made to terminate the City's contract with the original pay study consultant. Earlier this year, management informed us that they were working on a classification and compensation study with implementation anticipated for Fiscal Year 2003/2004. At that time, we discussed the general progress of the study and the anticipated involvement of the City Auditor's Office in reviewing the process utilized and the results obtained. We agreed that the City Auditor's Office would audit the results of the classification and compensation study in order to provide reasonable assurance to the City Commission that the methodologies and processes used by management were reasonable, adequately documented and supported, and consistently and accurately applied to data collected.

In September 2003, management provided us with pay study documentation related to CWA positions. We completed our review of that process and communicated detailed findings to management. In general, we found that the methodologies established by management for the CWA pay study were reasonable and adequately documented. However, we noted that the implementation of the methodologies and processes established by management were not always consistently and accurately applied to data collected.

Management indicated that the issues raised by our review could not be addressed for the CWA pay study due to the nature of the collective bargaining process with the CWA. As a result, management provided information to the City Commission as backup supporting their recommendation for approval of the proposed CWA agreement explaining the extent of the inconsistencies and inaccuracies noted during our review. Management also indicated that all of the issues raised by our review of the CWA Pay Plan would be addressed in the completion of the management, administrative and professional (MAP) Pay Plan.

The City Auditor's Office provided the City Commission with additional backup on November 10, 2003, briefly explaining our role in the CWA pay study process and indicating that we would complete a review of the MAP pay study process as soon as it was finalized and we were provided access to the documentation supporting the process. The City Auditor's Office received management's documentation of the MAP pay study process on November 14, 2003. We have completed a brief review of the MAP pay study process, the results of which will be summarized in our presentation today.

SCOPE AND METHODOLOGY

We have completed our pay study review, which was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. The objective of our review was to provide reasonable assurance to the City Commission that the methodologies and processes used by management to generate pay structure recommendations were reasonable, adequately documented and supported, and consistently and accurately applied to data collected. Generally, our procedures consisted of conducting interviews with management personnel involved with the pay study and reviewing management's documentation of the processes followed during the pay study.