



**City of Philadelphia
Office of the City Controller**

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Office of the City Controller Releases Departmental Audit

Philadelphia, PA – The Office of the City Controller released findings from its Departmental Audit, a review of the financial affairs of all City departments as part of the audit of the City’s basic financial statements. This report determines whether management has suitably designed and placed in operation internal controls to ensure accurate financial information and compliance with any laws and regulations related to revenue and expenditure activities.

Key findings from the fiscal year 2021 (FY21) audit include:

- **Sick Leave Policy Not Enforced:** 40% of City departments did not enforce the City’s sick leave policy. In many instances, departments failed to place employees who met the criteria on the Excessive Use of Sick Leave List, resulting in these employees not being penalized according to the policy and continuing to be paid for sick leave in violation of the policy. In addition to the direct costs of not enforcing the sick leave policy, excessive sick leave usage may also increase overtime, especially in departments with mandatory staffing levels.
- **Employee Overtime Not Properly Authorized:** In 13 departments, employee overtime was not properly authorized, including the Office of Innovation and Technology, Department of Streets, Department of Behavioral Health and Intellectual disAbility Services, and Procurement Department, none of which could provide approved overtime authorization forms for any of the overtime dates selected for testing. Allowing employees to work overtime without proper approvals may result in unnecessary payroll expenses by the City.
- **Department of Licenses and Inspections (L&I) Revenue Not Reconciled:** For the fourth consecutive year, the Department of L&I did not reconcile its daily payment totals to the revenue amounts posted to the city’s financial accounting system (FAMIS). Failure to

reconcile daily cash receipts to FAMIS increases the risk of revenue misstatement and creates an opportunity for the misappropriation of funds.

The Office of the City Controller's findings and recommendations, as well as responses from the departments, are [detailed in the full report](#). As a complement to the report, the Controller's Office [released an interactive dashboard](#) to highlight certain departmental findings.