



**Compliance Audit A2017-02
Police Department's Confidential
Funds**

April 2017

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EXECUTIVE SUMMARY

The purpose of the audit was to evaluate compliance with the organization's policies and procedures; applicable laws, regulations and guidelines, and evaluate internal controls for the Police Department's confidential funds. In addition, the auditors reviewed to ensure corrective action was taken by management to address the recommendations detailed in the prior fiscal year audit reports.

The Office of Internal Audit reviewed use, security and maintenance of confidential funds for five of 40 (12.5%) personnel that utilized and/or maintained confidential funds for the period of July 1, 2015 to October 31, 2016. In addition, the auditors interviewed Police Department personnel involved in the administration, maintenance and use of the funds. The review also included the accounting records and documents pertaining to confidential funds.

The Office of Internal Audit concluded that the Police Department is generally in compliance with the organization's policies and procedures; applicable laws, regulations and guidelines and has adequate internal controls for the Police Department's confidential funds. However, Internal Audit could not substantiate corrective actions taken for the prior year finding identifying cash and evidence records were incomplete. The Office of Internal Audit will recommend an audit of Police Department cash evidence on the fiscal year 2018 audit plan for approval by the Audit Committee.

BACKGROUND

The Fayetteville Police Department's Special Investigation Division administers and controls an informant/expenditure cash fund. The units within this Division conducted covert operations and had an original annual budget for fiscal year ending June 30, 2016 of \$100,000. Allowable uses of this fund were to pay informants, purchase contraband or otherwise maintain and finance undercover or investigative operations approved by the Chief of Police or designee. By using these funds, the units were able to conceal their identity from criminals, vendors and the public.

The Narcotics Unit Lieutenant, within the Special Investigation Division, is the custodian for the cash fund. The custodian is responsible for the physical safeguarding of the cash in the fund, as well as assuring the money is used for authorized purposes. Separate ledgers are maintained by the Lieutenant and the Sergeants identifying all cash coming into the fund and all cash payments to personnel. All personnel sign a cash payment receipt (Form POL-518 – Receipt of Special Investigation Funds Narcotics Investigation Division) each time funds are spent or received.

AUDIT OBJECTIVES

The objectives of this audit were to determine if:

- Confidential funds were sufficiently administered in accordance with established laws, regulations, guidelines, policies and procedures;
- Proper internal controls existed and were working as intended to safeguard confidential funds from loss, theft or fraud;
- Expenditures and withdrawals from the funds were properly authorized, approved and recorded;
- Complete and accurate manual records were maintained for all deposits, withdrawals and other transactions affecting the confidential fund accounts;
- To the extent possible, that security provisions for automated records were operating to provide for separation of duties, data integrity and an audit trail; and
- Sufficient corrective actions were taken by management to address the recommendations detailed in prior fiscal year audit reports.

This audit was conducted pursuant to *Fayetteville Police Department Operating Procedure 5.8 Confidential Funds and Use of Informants* effective March 18, 2016 which states an audit of the confidential funds account will be conducted annually. Additionally, the audit was scheduled to be performed as part of the Office of Internal Audit's approved *Annual Audit Plan Fiscal Year 2017*.

AUDIT SCOPE

The scope of the audit included all current practices related to confidential funds. In addition, the audit period covered fund activity from July 1, 2015 to November 30, 2016, and fund balances as of December 7, 2016 to January 12, 2017 for the Fayetteville Police Department's Special Investigation Division.

AUDIT METHODOLOGY

To review compliance and ensure the adequacy of internal controls, Internal Audit compared applicable written policies, procedures, laws, regulations and guidelines against actual practices of the Police Department. Internal Audit also interviewed Police Department personnel involved in the administration, maintenance and use of confidential funds. Additionally, Internal Audit reviewed the accounting records and documents pertaining to confidential funds to include the Records Management System (RMS) and Power DMS. This review included RMS evidence records, and documentation related to the Police Department's annual evidence audit and unannounced evidence inspection.

RMS provides storage, retrieval, archiving and viewing of information, records, or files pertaining to Evidence and Property Management.

Through Power DMS, the Police Department can track and ensure all Police Department personnel have acknowledged receipt of documents, including new and/or updated operating procedures and other relevant documents. Reports from Power DMS were used to verify whether Police Department personnel involved in the administration, maintenance and use of confidential funds had acknowledged receipt of the most recent updates to operating procedures related to confidential funds.

For the period of July 1, 2015 to October 31, 2016, there were 40 personnel that utilized and/or maintained confidential funds. In order to conduct the audit, a sample size of five personnel (12.5%) that utilized and/or maintained confidential funds was judgmentally selected to ensure the sample allowed for diversity within the population. Based on this sample, the results can be projected to the entire population.

Below is a chart which summarizes the expenditures audited from the sample:

| <u>Audited Expenditures of Confidential Funds¹</u> | <u># of Transactions</u> | <u>Amount</u> |
|--|---------------------------------|----------------------|
| Payments to Non-Departmental Personnel | 70 | \$12,479.70 |
| Purchase of Contraband | 41 | 32,590.00 |
| Special Investigative Expense | 2 | 49.09 |
| Total Expenditures Audited | 113 | \$45,118.79 |

¹Does not include "administrative transfer of funds". These are funds that are transferred from one officer to another and are not expenditures of the funds.

Below is a chart which reflects the fund balances at the time of cash counts:

Cash on Hand as of December 7, 2016 to December 8, 2016

| <u>Personnel²</u> | <u>Amount</u> |
|------------------------------|----------------------------------|
| Narcotics Lieutenant | \$ 8,285.00 |
| Sergeant 1 | 1,681.21 |
| Sergeant 2 | 1,740.00 |
| Total | <u><u>\$11,706.21</u></u> |

²Names were not used in this report, due to the sensitivity of undercover work.

AUDIT RESULTS (A2017-02)

Based on the audit work performed, the Office of Internal Audit concluded the Police Department’s Special Investigation Division was in compliance with the organization’s policies and procedures; applicable laws, regulations and guidelines, and adequate internal controls existed for the Police Department’s confidential funds. There were no significant exceptions noted.

FOLLOW-UP AUDIT RESULTS (A2016-01 and 2015)

Based on the results of follow-up test work, each original finding recommendation will be designated with one of the following four status categories:

| | |
|------------------------|---|
| <i>Implemented</i> | The finding has been addressed by implementing the original corrective action or an alternative corrective action. |
| <i>In Progress</i> | The corrective action has been initiated but is not complete. |
| <i>Not Applicable</i> | The recommendation is no longer applicable due to changes in procedures or changes in technology. |
| <i>Not Implemented</i> | The recommendation was ignored, there were changes in personnel levels, or management has decided to assume the risk. |

Original Finding 1 (Report A2016-01)

Police Department operating procedures were inconsistent with actual processes and controls in practice.

A strong system of internal controls requires policies and procedures written by management to ensure proper controls, safeguards and segregation of duties are in place. The development and use of policies and procedures are an integral part of a successful quality system as it provides personnel with the information and guidance to perform a job properly.

Internal Audit reviewed the Police Department’s operating procedures relevant to the handling of confidential funds. This included: Operating Procedure 5.2 – *Narcotics Unit* and Operating Procedure 5.8 – *Confidential Funds and Use of Informants*. Upon review of these operating procedures and interviews with Police Department personnel, the following observations were made:

1. Operating Procedure dated April 11, 2014, section 5.2.4.A states, “All requests for confidential funds will be made to and approved by the Narcotics Unit Lieutenant.” This statement is not clear and leaves it open to the reader’s interpretation. Based on this statement, Internal Audit expected to find prior approval of all expenditures by the Narcotics Unit Lieutenant. It was determined the Lieutenant reviews and signs off on the monthly reconciliation, but based on Internal Audit’s review all requests for confidential funds were not made to and approved by the Lieutenant.

2. Operating Procedure 5.2.4.B.3 states that a monthly expenditure form will be submitted by each personnel to account for expenditures and will include *(1) informant's name* and *(2) subsequent law enforcement action*. During the audit of monthly reports submitted for confidential funds transactions, Internal Audit was unable to determine which form the procedure referenced. Three of the forms have the same title – “Narcotics/Vice Suppression Unit Confidential Funds Monthly Report”.

In response to an Internal Audit request, it was determined the form listing the disbursement/expenditures for each transaction was the form referenced in the procedure. In reviewing these forms, it was determined that the informant's number was used, not the name; and no subsequent law enforcement actions were listed. In addition, the procedure states that the case number should be included on the form. Of the 153 transactions reviewed which totaled \$54,843.60, there were 44 (29% of the transactions) totaling \$7,840.80 in which case numbers were not listed.

3. At the beginning of fiscal year 2014-2015, the Police Department purchased a software program called *NarcWorks* in an effort to streamline accounting for confidential informants, special fund management, case management and evidence/seized property management. In accordance with this purchase, Operating Procedure 5.8 was updated, and included procedures based on the implementation of this new software. However, it was determined the *NarcWorks* software would not perform at the level needed and usage of the software was abandoned.

An example of this was Operating Procedure 5.8.6 which states: “All payments made to informants will be documented in the software system on their informant file. Funds are automatically balanced with each entry made into the system real-time.” However, informant files were still maintained as paper documents. In reviewing the paper logs for 144 contraband purchases and confidential informant payments, Internal Audit noted 10 transactions (7%) totaling \$3,630.00 with incorrect or incomplete information on the logs as follows:

- Four transactions totaling \$740.00 were missing on the logs;
- Four transactions totaling \$1,500.00 were listed on the logs, but the receipt numbers were missing;
- One receipt number for \$40.00 was listed incorrectly for a transaction; and
- One payment of \$100.00 to a confidential informant and \$1,250.00 for the purchase of contraband in which the contraband payment was missing from the log.

Original Recommendation

The Office of Internal Audit recommends the Police Department update its operating procedures relevant to the handling of confidential funds and ensures all personnel comply with the written operating procedures.

Follow-up

The Police Department's Operating Procedure 5.2 – *Narcotics Unit* and Operating Procedure 5.8 – *Confidential Funds and Use of Informants* were updated with an effective date of March 18, 2016. Based on these updates, the following observations were made:

1. In order to avoid conflict between Operating Procedures 5.2 and 5.8, management updated section 5.2.4 Confidential Funds. These updates now reflect the current business practice in which the supervisors are responsible for the daily confidential fund activity, but the Narcotics Unit Lieutenant holds overall accountability for the funds.
2. Section 5.2.4.B.3 was removed from the operating procedure and was replaced to refer readers to the Operating Procedure entitled *Confidential Funds and Use of Informants*. In addition, for clarity two of the three forms were retitled and assigned a form number, Confidential Funds Monthly Log (POL-414) and Confidential Funds Expenditure Report (POL-415).

The updated operating procedures reflect current practice and require the confidential informant assigned number instead of the confidential informant name and law enforcement action taken rather than subsequent law enforcement action. In addition, the procedures were updated to state if there was no applicable case number or other available case or investigative information then “N/A” would be noted. In the sample reviewed there were 22 informant payment and contraband purchase transactions totaling \$9,020 which occurred after the procedure update, and the law enforcement action taken and the applicable information for the case number was noted on all transactions.

3. Since the *NarcWorks* software did not perform at the level needed and was abandoned, all references to the software were removed in the March 18, 2016 update to Operating Procedure 5.8 – *Confidential Funds and Use of Informants*.

In the sample reviewed there were 22 informant payment and contraband purchase transactions which occurred after the procedure update, whereas, sufficient documentation was present for all transactions.

Status of Recommendation

Implemented

Original Finding 2 (Report A2016-01)

Supervisory review and approval was not always documented.

Requiring supervisory review is an important step to ensure Police Department policies and procedures are being followed. During the audit, Internal Audit found 20 instances with missing signatures and two instances missing prior approval.

1. The Police Department’s Operating Procedure 5.2.4.B.4 states: “Each Narcotics and GGVU Sergeant will conduct a monthly audit and submit an expenditure report to the Narcotics Unit Lieutenant.” Internal Audit’s examination of monthly reports indicated a total of 20 instances in which signatures were not present on the monthly reports. The following missing signatures were found:
 - 14 approval signatures on forms used for listing disbursement/expenditure;
 - One personnel’s signature on the form used for listing disbursement/expenditure;
 - Four approval signatures on forms used for each personnel’s monthly reconciliation;
 - One personnel’s signature on the form used for each personnel’s monthly expenditure type breakdown.
2. Internal Audit identified two payments made to confidential informants without appropriate prior written approval. Management established limits for which prior approvals were needed, but personnel did not adhere to these limits. Without written approvals it is unclear whether management was consulted for these payments. See the payment details below.
 - One payment for \$1,000.00 was dated August 25, 2014. This payment was made prior to the December 3, 2014 update to Operating Procedure 5.8. Based on Operating Procedure 5.8 with revision date November 15, 2013, payments for information that exceeded \$500 per receipt should have been approved by the Chief of Police or his designee. Internal Audit found no such approval indicated for this payment.
 - The second payment was for \$1,000.00 and was dated April 29, 2015. This payment was made after the December 3, 2014 update to Operating Procedure 5.8 which states: “Payments will not exceed \$500 to an informant for information or \$5,000 per receipt for the purchases of contraband/narcotics unless approved by the Division Captain or above in writing prior to the expenditure. Payments for information in excess of \$800 for information and \$8,000 for contraband/narcotics must be approved by the Bureau Assistant

Chief in writing prior to the expenditure. Payments in excess of \$1,000 for information and \$12,000 for contraband/narcotics must be approved by the Chief of Police prior to the expenditure.” Internal Audit found no such approval indicated for this payment.

Since the approval limits were set forth in the Police Department’s operating procedures and recent updates had been made, Internal Audit requested a report from Police Department personnel showing if and when personnel acknowledged reading the updates to operating procedures 5.2 and 5.8. Based on an Internal Audit inquiry, the Police Department provided a Power DMS report dated November 4, 2015 which showed that the personnel in the audit sample and all personnel listed with responsibility for confidential fund safes acknowledged receipt of the revised Operating Procedure 5.2 between May 9, 2014 and June 6, 2014; as well as revised Operating Procedure 5.8 between December 31, 2014 and January 9, 2015.

Original Recommendation

The Office of Internal Audit recommends the Police Department ensure all personnel using confidential funds understand, are trained and adhere to the policies and procedures governing such use, including written prior approval limits and obtaining all appropriate approvals based on the Police Department’s operating procedures.

Follow-up

Based on the sampled transactions dated after the update to the operating procedures, it appeared supervisory reviews were being conducted to ensure Police Department policies and procedures were followed.

Status of Recommendation

Implemented

Original Finding 3 (Report A2016-01)

Proper segregation of duties was lacking.

Proper segregation of duties at the most basic level means that no single individual should have control over two or more phases of a transaction or operation. During the audit, five instances were found in which the supervising Sergeant signed as “witness” on the form titled “Receipt of Special Investigation Funds Narcotics Investigation Division”; approved the form that listed the disbursement/expenditures for each transaction; and also approved the form for the personnel’s monthly reconciliation. Responsibilities for actual transactions and approvals should be separated to ensure the accuracy and the integrity of records. A lack of separation of duties compromises the integrity of information, permits errors and omissions to go uncorrected, and opens the opportunity for possible fraudulent activity.

Original Recommendation

The Office of Internal Audit recognizes personnel limitations within the Narcotics Unit have not easily accommodated a proper segregation of duties. However, Internal Audit recommends the Narcotics Unit reassign personnel responsibilities in order to achieve an effective separation between confidential funds transactions and approvals of those transactions. Personnel independent of the transaction should approve any forms related to the transaction.

Follow-up

The March 18, 2016 update to Operating Procedure 5.8 – *Confidential Funds and Use of Informants* stated, “Any transaction involving a Sergeant (other than administrative transfer of funds) will be reviewed and signed by the respective unit’s Lieutenant on the Confidential Funds Expenditure form. This will provide a degree of separation from the Sergeant witnessing the payment and then reviewing the payment.”

Status of Recommendation

Implemented

Original Finding 4 (Report A2016-01)

RMS disposal records did not provide adequate documentation to account for transfers from the Evidence Room to the Narcotics Unit.

City management is responsible for establishing and maintaining a system of internal controls to ensure financial activity is accurately reported and reliable. During the audit of confidential funds (buy money) transferred from the Evidence Room to the Narcotics Unit, the auditors identified \$8,871.00 recorded in the Narcotics Unit financial records. A report was requested from Police Department Evidence Room personnel showing all confidential funds (buy money) released from the Evidence Room to the Narcotics Unit confidential funds custodian from July 1, 2014 to June 30, 2015. Evidence Room personnel presented the auditors with a disposal report titled "Fayetteville Police Department" with disposition dates from January 29, 2010 to May 8, 2015. In addition, the Narcotics Unit provided Internal Audit with two Chain of Custody Signature Forms; dated August 26, 2014 for \$2,156.00 and May 8, 2015 for \$6,715.00. The following observations were noted:

1. When comparing the Evidence Room disposal report to the Chain of Custody Signature Forms, there was \$6.00 reflected on the Chain of Custody Signature Form with the disposition date of August 26, 2014 but not on the Evidence Room disposal report. Based on an Internal Audit inquiry, Evidence Room personnel were not able to identify the reason the \$6.00 was not removed from evidence when the barcode was scanned and the funds were transferred to the Narcotics Unit. Therefore, the \$6.00 did not show as disposed in RMS until Internal Audit identified the error and Evidence Room personnel corrected the evidence records.
2. Internal Audit noted \$4,000.00 on the Chain of Custody Signature Form with the disposition date of May 8, 2015 but was listed on the Evidence Room disposal report with a disposition date of January 29, 2010. Based on an Internal Audit inquiry, Evidence Room personnel were not able to identify the reason for the inconsistency in the disposed date. Once Internal Audit identified the discrepancy the Evidence Room personnel corrected the evidence records.

Overall, the Police Department Evidence Room personnel did not verify if disposed property was recorded accurately into RMS. Standard operating procedures in place did not incorporate this control. Verifying disposed property within RMS would ensure accurate recording of evidence records for the Police Department. In addition, processes were not in place to ensure confidential funds (buy money) disposed and transferred from Evidence to the Narcotics Unit was being independently reconciled and reviewed.

Original Recommendation

The Police Department personnel should update operating procedures regarding the transfer of confidential funds (buy money) to/from the Evidence Room and RMS. The operating procedures should include management oversight independent of the confidential funds process to perform periodic audits of the transfers to/from the Evidence Room to ensure confidential funds are accounted for and reconcile to the Evidence Room records.

Follow-up

Police Department Operating Procedure 6.2 - *Evidence and Property Management* was updated effective March 18, 2016 to include procedures for disposal and transfer of confidential funds. Based on Internal Audit's review of confidential funds cash records, there were no transfers of cash from the Evidence Room to the confidential funds safe during the current audit period. Therefore, Internal Audit was unable to determine if the current practice and the policy update sufficiently addressed this recommendation. However, based on Internal Audit inquiry, the Police Department provided a memorandum proposing a process to require confidential funds to be released from the Evidence Room and be deposited into the City's general fund instead of returning the funds to the Narcotics Lieutenant's confidential funds safe.

Status of Recommendation

In Progress

Original Finding 5 (Report A2016-01)

Cash evidence records were incomplete.

In order to account for all confidential funds (buy money) in the Evidence Room, Police Department personnel should be able to provide an accurate and complete report of all confidential funds (buy money) in the Evidence Room which could be used to verify all funds are safeguarded and complete. The Police Department's Operating Procedure 6.2.10.A states, "All U.S. Currency "Cash" received or released by the Evidence Section will be logged into the Record Management System (RMS) and a cash ledger maintained by the City of Fayetteville Police Department."

Prior to an advancement of technology the Police Department used evidence cards to track evidence. In the 2010/2011 timeframe, the Police Department implemented a Records Management System (RMS). With the implementation of RMS, Police Department personnel input information from the evidence cards into RMS. However, if an evidence card listed more than one piece of evidence, a unique identifier was not assigned in RMS for each piece of evidence. For example, if evidence on a card included: a gun, drug money and confidential funds (buy money); only one of the three pieces of evidence would have been logged within RMS with a unique identifier. Therefore, a report pulled in RMS would not show all three evidence items. In addition, Evidence Room personnel stated that cash was not always differentiated as confidential funds (buy money).

Therefore, a comprehensive list of confidential funds (buy money) could not be provided by Evidence Room personnel and the auditors were unable to determine if all disposed confidential funds (buy money) was recorded in the Narcotics Unit financial records. The following observations were noted:

1. The disposition of funds dated May 8, 2015 reflected a handwritten note on the Chain of Custody Signature Form for an additional \$20.00. The handwritten note did not list the case number the \$20.00 was associated with, and Evidence Room personnel were unable to determine the case number due to the large volume of evidence cards. In response to an Internal Audit inquiry, Police Department Evidence Room personnel stated the funds were associated with an older case, and the method used to input evidence into RMS prohibited Evidence Room personnel from documenting the disposal within RMS.
2. Additionally, Police Department personnel stated the evidence card for the \$20.00 was signed by Police Department personnel on August 26, 2014 for receipt of the funds, but the funds were mistakenly left in the Evidence Room. However, the funds were returned with other confidential funds (buy money) on May 8, 2015.

Original Recommendation

The Police Department should allocate resources to the Evidence Room to assist in updating RMS so all evidence, to include confidential funds (buy money); from the evidence cards has a unique identifier for tracking the evidence.

Follow-up

Internal Audit's recommendation was to update RMS for all evidence. However, Police Department management's response was a 100 percent audit of currency would be completed by April 30, 2016. At that time, Police Department management accepted the risk of not updating all evidence in RMS.

Based on Internal Audit inquiry while conducting the current audit, the Police Department was unable to provide documentation showing a 100 percent audit of all currency was conducted. Therefore, Internal Audit requested RMS reports showing all currency within evidence. However, the RMS reports provided by the Police Department reflected inconsistencies. Internal Audit was advised by Police Department management that the inconsistencies identified by Internal Audit were researched and updated within RMS. However, these inconsistencies and recent updates conducted by the Police Department to ensure all currency was properly documented in RMS, confirms a 100 percent audit of all currency maintained by the evidence unit had not been completed.

Status of Recommendation

Not Implemented

Follow-up Recommendation

To ensure the inconsistencies have been corrected and the cash evidence records have been updated, Internal Audit will recommend for approval by the Audit Committee an audit of all currency evidence held by the Police Department on the fiscal year 2018 audit plan. The finding related to cash evidence records were incomplete will be removed from follow-up audits related to confidential funds.

Management's Response

We concur. Management is in full agreement with the recommendation.

Responsible Party: Internal Audit should schedule the audit with Lieutenant Wade Owen and/or Sgt. Mary Bueno.

Implementation Date: The Police Department will assist in facilitating this audit at the date/time identified as appropriate by Internal Audit, but no later than end of FY18.

Original Finding 4 (Report 2015)

Accounting for Funds

The Fayetteville Police Department's Operating Procedure 5.8, "*Confidential Funds and Use of Informants*" requires the NVU Lieutenant to conduct a monthly audit and submit the expenditure report to the Chief of Police or designee. Upon review, it was noted that a monthly expenditure report is being prepared by the Office Assistant II supervised by the NVU Lieutenant and during their absence the report is prepared by the NVU Lieutenant.

Original Recommendation

To ensure sound internal controls (segregation of duties), it is recommended that the Police Department modify their procedure to identify personnel independent of the NVU to conduct the monthly audit and prepare the expenditure report for the confidential cash fund. Records of cash received and disbursement activity should also be checked by this individual to ensure they are in compliance with procedures and are supported by original cash fund records. This reconciliation and review activity should be documented, and the results formally reported to the NVU Lieutenant's supervisor.

Additionally, it is recommended that specialized software be implemented to identify and summarize confidential fund activities. Currently the confidential funds are maintained manually and it is difficult to access the fund activity without a lengthy review. Whereas; specialized software to track the activity of the funds would provide a better internal control monitoring and reporting system. Upon further review, the NVU has requested to purchase software that is designed for tracking confidential funds, informants and all payment activities. This software was approved in the fiscal year 2014-2015 budget.

Follow-up

During the current audit period, the Narcotics Office Assistant II was completing the reconciliation, and the Narcotics Unit Lieutenant was reviewing and approving the report which allows for some segregation of duties. Based on Internal Audit Inquiry, it was noted due to the sensitive nature of information; the reconciliations are not prepared outside the Narcotics Unit, however, personnel independent of the Narcotics Unit reviews monthly reconciliations with all supporting documentation and provide feedback to the Narcotics Unit Lieutenant. As an added measure, the Narcotics Unit Lieutenant indicated that Internal Affairs would be asked to perform random cash counts that would occur at the end of each month and verified to monthly reports during the monthly review process.

The Police Department purchased the specialized software in fiscal year 2014 - 2015, but the software did not function as the Department had intended and paper documentation is being used. Based on Internal Audit Inquiry, there is no indication at this time that additional software will be purchased.

Status of Recommendation

Implemented

CONCLUSION

The Police Department's Special Investigation Division updated policies and procedures during the current audit period, July 1, 2015 through November 30, 2016, related to utilization and maintenance of confidential funds. These updates contributed to stronger controls and a general adherence to policies and procedures over confidential funds. The previous audit findings for the Special Investigation Division appeared to be adequately addressed with these updates.

For the Police Department's Technical Services Division, management did not perform an audit of all evidence as recommended, but stated a complete audit of currency would be conducted. However, Internal Audit was unable to validate that a 100 audit of currency was performed. Internal Audit will recommend to the Audit Committee the finding related to evidence be removed from follow-up audits related to confidential funds and be addressed with an audit of evidence conducted by the Office of Internal Audit.

Implementation of the recommendations contained in this audit report will assist the Police Department in ensuring the completeness, consistency, accuracy and integrity of the data in RMS.

Internal Audit wishes to thank the Police Department personnel for their assistance and numerous courtesies extended during the completion of this audit.

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