

**Post-Audit Review 14-06:
Police Confidential Funds**

September 2015

City Auditor

Stan Sewell, CPA, CGFM, CFE

Senior Auditor

Pamela Swinney, CPA





OFFICE OF INTERNAL AUDIT

Stan Sewell, City Auditor

September 29, 2015

To: Mayor Andy Berke
City Council Members

Subject: Post-Audit Review of Police Confidential Funds (Report #14-06)

Dear Mayor Berke and City Council Members:

Attached is a summary report on the status of audit recommendations in our 2014 Police Confidential Funds report. The purpose of this report is to confirm whether, and to what degree, management has implemented the recommendations made in the original audit.

The original audit concluded:

1. The confidential fund policies and procedures were comprehensive and adequate; and,
2. The confidential funds were typically administered in accordance with established policies and procedures; however, increased supervision and additional review mechanisms would improve the overall integrity of the confidential funds process.

The audit had 5 recommendations to improve efficiency and effectiveness of the confidential funds process as well as address internal control deficiencies observed at the Police Department. At the time of this Post-Audit Review, all recommendations have been implemented.

This Post-Audit Review consisted principally of inquiries of City personnel and examinations of various supporting documentation. It was substantially less in scope than an audit in accordance with generally accepted government auditing standards. The evidence obtained provided a reasonable basis for our conclusions; however, had an audit been performed, other matters might have come to our attention that would have been reported to you and our conclusions may have been modified.

Sincerely,

Stan Sewell, CPA, CGFM, CFE
City Auditor

Attachment

cc: Audit Committee Members
Travis McDonough, Chief of Staff
Brent Goldberg, Chief Operating Officer
Fred Fletcher, Chief of Police

RECOMMENDATIONS FULLY IMPLEMENTED (5)

Recommendation	Actions Taken
1 We recommended supervisors periodically perform surprise reviews of A-5 forms immediately after operations to verify officer compliance with said policies and procedures.	Supervisors perform random surprise reviews immediately after expenditures occur. In addition, the procedure is currently being enhanced to include the supervisor's initials on the A-4 form to indicate the surprise review was performed.
2 We recommended any procedural issues noted by the Custodian during the monthly reviews be reported through the chain of command. Management should perform immediate counseling and/or disciplinary action it deems necessary. We also recommended the division develop a standard review checklist to assist the review process. The staff responsible for reviewing case files and associated confidential fund forms should receive appropriate training.	The custodian was instructed to report discrepancies to the Captain of the Division. Issues noted are addressed immediately with the detective and used as part of their monthly evaluations. The review process has improved through the development of a standard review checklist.
3 We recommended the department update the policies. The policies should require "information only" payments are documented in the investigative reports stating what information was obtained. We also recommended the supervisor review and verify the A-5 forms related to each case correspond to the investigative report. In addition, the A-5 forms should be completed in a consistent manner. All investigators should be trained on the updated policies and procedures.	The policies were updated and require the detectives to document information obtained from informants in the investigative report. In addition, any cases opened for information only purposes must be documented on the case log. Our review of several case files indicate the audit recommendations have been implemented.
4 We recommended updated policies be distributed immediately to staff.	Updated policies are distributed using Power DMS system. The system automatically distributes policies to the appropriate personnel.
5 We recommended management keep a written record of receipt of such policies by all staff.	The Power DMS system records the receipt of all policies distributed to Police personnel.

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