

| | Control Issue | Recommendation | Action to Date | Anticipated Completion |
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| A. Payroll and Human Resources | | | | |
| 1. Pay rate adjustments are updated timely and accurately. | Pay rate adjustments are often made retroactively due to performance evaluations being completed late, which then require a retroactive, manual pay rate adjustment. Manual adjustments have a higher risk of error even with strong review controls in place. In addition, manual adjustments are time-consuming and inefficient | Implement processes for more efficient tracking and timelier follow-up of outstanding performance evaluations. In addition, management should consider implementing a stronger deterrent for late performance evaluations. | Procurement and implementation of a new Performance Evaluation System is underway. Agreement approved by Council on 10-13-15. | Spring 2016 |
| 2. New employees are set up in the system completely and accurately. | As new employees are set up in the Human Resource (HR) system, a review process is not in place to ensure the employee's information, such as benefits and pay rate, is set up accurately. HR Techs are responsible for setting up new employees in the HR system and reviewing their own work. There is not an independent review of that process. | Implement an independent review process to ensure that new employees are accurately set up in the system. If a process of reviewing every new employee set-up is not feasible, then implement a process for periodic reviews. If errors are noted, then the periodic reviews should be increased. HR should track the review process and document errors noted in the process. | | |
| 3. There are well-documented policies and procedures and/or training related to timekeeping | Adequate procedures and periodic training are not in place to help departmental timekeepers understand their roles and responsibilities as well as procedures that should be followed. | Establish City-wide timekeeping procedures that define roles and responsibilities as well as timekeeping process guidelines for overtime, late timecards, unapproved timecards, incorrect timecards, etc. | | |
| Police 4. Timekeeping and payroll systems are fully implemented to minimize human error and to facilitate accurate | The Police Department is missing some electronic system controls to ensure maximum accuracy in timekeeping and employee pay. The Police Department has not fully implemented the TeleStaff application because, during its implementation, the Police recognized that TeleStaff does not meet the Department's needs for scheduling or payroll. To compensate for these shortcomings, the Police Department implemented manual controls to ensure that accurate pay codes are applied when entering | Continue efforts to craft a Request for Proposals (RFP) that will allow the Department to obtain a comprehensive system that more efficiently and effectively meets all of its scheduling, payroll, and timekeeping needs. | | |

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| scheduling, timekeeping and pay | time into the City's payroll system. While these practices are reasonable in the short-term, control weaknesses will persist until a new system is implemented that can preserve system controls while meeting the Department's complex labor agreements, scheduling practices, and administration of numerous pay rates. Moreover, the current system and the workarounds required to administer the Department's payroll compromise the Department's ability to maintain an accurate historical record of the dates and times worked by its employees. Maintaining accurate timekeeping records is important for many departments for a variety of reasons including the potential investigation of personnel matters. | | | |
| 5. Hours are accumulated and processed accurately | Manual timesheets are used by some departments, such as the City Attorney Office, even though electronic timecards could be used. | Work with departments to adopt electronic time reporting City-wide. A department where this would be feasible is the City Attorney Office, as well as potentially other departments. | CAO staff no longer prepares manual timesheets. CAO staff has adopted electronic time reporting. Finance will continue to work with departments with field staff to move toward electronic reporting. | Completed – 2015 |
| B. Purchasing and Accounts Payable | | | | |
| 1. Purchasing card transactions are audited in a timely manner | Purchasing card audits are not completed in a timely manner during certain times of the year. The audit of purchasing card transactions is completed monthly by an employee in the Finance Department. Depending on workload, the audit is completed approximately two to four months after month end. The later the audit is completed, the greater the risk of failing to appropriately address issues, such as lost receipts, inadequate support, inappropriate purchases, etc | Evaluate resources to determine if purchasing card audits can be prioritized to be completed one to two months after month end. | Current staff resources do not allow for this action. However, since all audits are eventually performed and all differences are addressed, staff does not believe the cost of additional staff warrant the benefit received. As workloads allow, these audits will be completed as timely as possible. | Completed – 2015 |

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| 2. Adequate support documentation is retained for all purchasing card purchases. | Support documentation for purchasing card transactions, such as receipts, are periodically retained in e-mail inboxes, rather than stored within the purchasing card audit reconciliation files. As purchasing cards are audited, exceptions are sometimes found where a receipt or other adequate support is missing. In these cases, Finance personnel follow up with the purchasing card user. If adequate support is subsequently obtained, this support is retained in the Finance personnel's e-mail rather than stored centrally with the purchasing card's reconciliation documentation. Storing this information in an e-mail inbox increases the risk of these receipts being deleted or misplaced. | Retain all supporting documentation for purchasing card transactions centrally and consistently. Even if these receipts cannot be added to COSMO after the fact, the supporting documentation should be retained in a central and consistent manner. | The City has modified the purchasing card procedures to ensure all receipts are stored in the central accounting Oracle system and no longer stored in our personnel emails. | Completed |
| 3. Accounts payable balances are adequately monitored. | The City does not utilize the COSMO system for monitoring accounts payable balances and instead uses a manual process for ensuring that vendor payments are made in a timely manner. When the COSMO system was set up, the implementation of some accounts payable functions, such as accounts payable aging, were not implemented. The City has manual processes for tracking accounts payable balances, such as receiving monthly statements from all vendors and researching all unpaid invoices. While this is a good monitoring control, it is a highly manual process. | Continue to investigate whether implementing additional accounts payable functions in COSMO would increase efficiency and strengthen internal controls, and perform cost/benefit analysis. | | |
| C. Grants Management | | | | |
| 1. To facilitate effective oversight over all grants City-wide, the City maintains a comprehensive list of active grants | Until recently, the City had limited ability to effectively monitor all of the grants that provide funding, since the City had not developed and maintained a comprehensive list of grants. During the course of this review, the Finance Department developed a nearly complete list of the active grants awarded to the City. A comprehensive list of grants helps to prepare the Schedule of Expenditures of Federal Awards and ensure that the City has oversight of all grants received. | Continue efforts to compile a comprehensive list of active grants and regularly maintain this list using the information gathered on the Grant Information Form. | Staff will continue to compile a comprehensive list of active grants. | Completed – 2015 |

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| <p>2. Program staff in City departments are meeting all grant requirements.</p> | <p>Failure to meet certain grant requirements has resulted in the City being issued audit findings within its Single Audit. According to the audit findings, some of the departments that administer grant funding have not met program reporting deadlines or adequately monitored sub-recipients. Insufficient staffing resources within departments, as well as limited centralized oversight over grants, were likely causes of these instances. While some departments have well-established grants oversight, other departments do not. Similarly, until recently, the City did not have a comprehensive list of all of the City's active grants as a centralized source of information about the City's grant awards. Without this information, the City was not able to effectively provide supplemental oversight over grants and their relevant reporting requirements. If stronger controls are not implemented to ensure compliance with grant requirements, additional audit findings could result and, ultimately, the City's ability to secure future grant funding could be impaired.</p> | <p>See for recommendation for <i>Grants Management – Control Objective 1</i>. Consider incorporating into the City's Grants Management Policy the following elements:</p> <ul style="list-style-type: none"> • Policy that states the requirement for clear identification of the individuals involved in ensuring compliance with grant requirements. The policy could require departments to identify for each grant award a) who will be responsible for preparing and submitting reports to the granting agency and b) who will be responsible for reviewing reports and ensuring timely submittal. • On the <i>Grant Information Form</i>, add the name of the individual responsible for reviewing reports and ensuring their timely submittal to grant agencies. • Include information about the specific reporting requirements and deadlines to the <i>Grant Information Form</i>. <p>Consider efficient methods for Finance to communicate with grants personnel about upcoming reporting deadlines.</p> | | |
| <p>Community and Economic Development: Housing and Urban Development Unit (HUD)</p> <p>3. Grants are well-administered within Departments and Divisions by</p> | <p>Weak internal controls around grants management within the HUD Unit resulted in numerous audit findings across various audits and reviews. These findings cited a range of issues, including unallowable costs, conflict of interest violations, insufficient supporting documentation, ineligible activities, and failure to meet programmatic deadlines. Some of these findings ultimately resulted in the HUD Unit being subjected to a Voluntary Compliance Agreement with the federal government in order to maintain its funding. As discussed in <i>Other: Control</i></p> | <p>Continue ongoing efforts to resolve open audit findings and improve controls over grants management. Since the re-organization of the HUD Unit to the Community Development Division within the Community and Economic Development Department and the assignment of a new leadership over the division, work to resolve past issues has been undertaken. See recommendations for <i>Other:</i></p> | | |

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| <p>program staff with adequate oversight by managers.</p> | <p><i>Objective – 1</i>, the HUD Unit faced a variety of challenges, such as inadequate training and unclear responsibilities, which likely contributed to weak grant administration and ultimately findings.</p> | <p><i>Control Objective – 1.</i> Given the significance and extent of the HUD Unit’s audit findings, the City should consider allocating additional resources to the Unit to ensure the appropriate management of its significant grant funding. Adhere to City-wide policy that requires centralized documentation of all grant applications and all audit findings.</p> | | |
| <p>4. Grants management policies and processes are well-documented and up-to-date.</p> | <p>The City’s Grants Management Policy does not provide substantial guidance on grant administration and instead only provides high-level guidance. While the policy creates clear guidelines for applying for grants, the policy does not comprehensively outline requirements for grant administration and management to reasonably ensure compliance. In the absence of City-wide guidance, some departments, such as Fire and Transit, have developed their own grants policies and procedures to guide their administration of grants. However, without more thorough City-wide guidance, the City may not be providing an adequate control framework to which all departments must adhere.</p> <p>The City’s Grants Management Policy does not include clear definitions of the roles and responsibilities for Finance personnel versus departmental personnel in the administration and management of grants. Additionally, overall oversight responsibilities among the Finance personnel have not been clearly established. While the day-to-day responsibilities for grants have been assigned to various Finance personnel, Finance does not have a position, such as a Grants Analyst, dedicated to the overall oversight and management of all City grants. In the absence of policy guidance clarifying roles and responsibilities, the City increases its chance of grant non-compliance.</p> | <p>Revise the Grants Management Policy to provide more comprehensive guidance, including:</p> <ul style="list-style-type: none"> • Definitions of roles and responsibilities for the administration, management, and oversight over grants among Finance personnel and departmental personnel. • Guidance about the performance of specific activities, including ensuring allowability, monitoring spending and drawdowns, subrecipient monitoring, and financial and program reporting, including responsible party and frequency of performance. • The control framework for grants administration City-wide including processes and required approvals for grant applications, program and financial reporting, and sharing communication from the granting agency. • The new Uniform Grant Guidance that is effective for new awards and incremental funding received on or after December 26, 2014. | | |
| | <p>The City has not clearly assigned responsibility for</p> | <p>Institute procedures related to</p> | | |

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| 5. The City has processes and procedures to ensure vendors paid with federal funds are not suspended or debarred. | ensuring that vendors paid with federal funds are not suspended or debarred. The Purchasing Manual does not address procedures for verifying that vendors are not suspended or debarred. Similarly, departments do not have procedures in place to ensure that vendors are verified to ensure they are not suspended or debarred. Without procedures in place, there is a risk of non-compliance with federal regulations, as well as the risk of paying a suspended or debarred vendor with federal funds. | suspension and debarment verification. The procedures should indicate who is responsible for verifying that vendors have not been suspended or debarred. Employees responsible for verifying suspension and debarment should be trained on the procedure | | |
| 6. Training programs provide enough knowledge and skills necessary to manage and administer grants compliance. | Grant training has not been consistently provided to grant personnel in departments. Until recently, the City has not provided grant training to personnel at departments who administer grants. In May 2015, the Accounting Division attended training on the new Uniform Grant Guidance, and all grants management personnel in the City were invited to attend. By leaving all grant training entirely up to the departments and the respective granting agency, the City exposes itself to greater risks of non-compliance and higher likelihood of grants mismanagement. | Continue to offer grant-related training to all personnel involved in grants. Develop a plan to provide ongoing training to grants personnel, no less than once per year. Cost-effective training can be obtained through webcasts or on-site presentations to minimize travel. Track training to verify participation by all relevant personnel. | The Finance Department is currently coordinating grant training through Management Concepts to ensure key grant staff are trained on all aspects of grants. | Complete |
| D. Revenue and Accounts Receivable | | | | |
| 1. All revenue due to the City is recorded within the City's financial system. | The City is unable to ensure that it has a complete record of the City's receivables. While all departments are understood to be responsible for properly accounting for revenue due to the City, there is no City policy requiring that all revenue due to the City is recorded in the City's Accounts Receivable (A/R) system. As a result, divisions within City departments use a variety of methods to record accounts receivable. All departments in the City have access to the City's A/R system and can create invoices from the centralized system, but only some divisions within these departments, such as Fire and Police, utilize the system. Other departments, such as Golf and Parking, record certain types of their receivables outside of City's system and use Word or Excel to prepare | Develop an Administrative Directive requiring the entry of all receivables, in a timely manner, to the City's A/R system. State that department's that remit invoices in alternate formats must still enter receivables in the A/R system and include the City's PO Box on the invoice for payments. The Accounts Receivable Division should develop a plan to streamline and gain better control over City-wide A/R and billing. This should include: <ul style="list-style-type: none"> • Compiling a full inventory of City-wide A/R processes and current | <ol style="list-style-type: none"> 1. Finance plans to reengineer the Accounts Receivable process to improve controls in this area. Transition to the Accounting Division will occur in January 2016. 2. Staff met with various departments, identified and resolved some obstacles, | July 2016 |

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| | <p>invoices. Some departments cited a lack of familiarity with the A/R system and infrequent invoicing as reasons for not utilizing the A/R system. Other departments create invoices outside of the system, because they want to make sure invoices are prepared quickly, accurately, and with the appropriate format for the customers' needs. The exclusion of any A/R from the City's centralized A/R system increases the City's risk of fraud resulting from alternate remittance information and makes it more difficult to accurately determine or monitor the City's revenues and related receivables.</p> | <p>A/R.</p> <ul style="list-style-type: none"> • Meeting with individual departmental management to discuss obstacles for utilization of A/R system including training needs. In addition, Accounts Receivable should present best practices and opportunities to better service departmental billing and collections needs in the future. • Developing trend reports from the A/R and receipting systems that are provided to the Director of Finance on a quarterly basis for monitoring. • Exploring the ability to provide alternate invoice templates to departments to meet their formatting needs, while still entering all receivables into the A/R system. | <p>executed documented workflow processes to resolve delayed entry of receivables and presented best practices for revenue collection</p> <ol style="list-style-type: none"> 3. Staff will continue to work to develop trend reports for the Finance Director 4. Existing templates can be reasonably formatted for individual departments | |
| <p>2. Reconciliation is performed between the receipting system and other records of goods provided or services rendered to ensure the complete and accurate collection of all revenue due to the City.</p> | <p>The City cannot accurately ensure that all goods sold and services rendered were charged correctly and payment was collected. The City's receipting system, Razwin, is a point of sale system. While it can generate receipts for customers with a brief description of the good or service provided, the system does not provide an effective means for the City to record detailed information about the number of goods or services and the amount charged. Similarly, it is unclear whether all departments maintain adequate records against which this type of detailed information could be accurately reconciled especially because no City-wide system for this type of inventory management exists. Without the ability to perform a comprehensive reconciliation between the receipting system and data regarding inventory or services rendered, the City cannot gain assurance that all of the revenue collected is appropriate for the goods provided or services rendered. Without ongoing monitoring occurring or even being possible, the City faces greater risk of</p> | <p>See recommendation for <i>Revenue and Accounts Receivable – Control Issue 1</i>.</p> <p>Explore options for incorporating receipting and inventory management capabilities into existing City-wide systems. Alternately, the City could explore other systems that may include this type of functionality.</p> <p>The City should develop a policy requiring all Departments to maintain records of all goods provided, fees charged, and services rendered. The Finance Department, as well as IT, should collaborate with departments to develop methods for efficiently and effectively recording this type of information.</p> | | |

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| | misappropriation of funds. | | | |
| 3. All receivables are recorded within the City's financial system in a timely manner. | Some departments are delayed in posting receivables to the City's A/R system. For example, Accounts Receivable has observed delays in invoices being entered for event security and nuisance citations from Police Department. Any delays in invoicing for receivables reduce the probability of collections. Additionally, these delays make it difficult to accurately determine the City's receivables. | See recommendation for <i>Revenue and Accounts Receivable – Control Issue 1</i> . | See #1 above | |
| 4. Items with cash value are stored securely and inventory is effectively monitored. | Some items with cash value are not properly safeguarded from misappropriation or theft, reconciled frequently against transaction records, and/or inventoried periodically. Certain types of permits do not have numbering on the physical permit to facilitate unique identification and monitoring. Without numbering and tracking, permits could be obtained inappropriately or counterfeit permits could be created. Additionally, despite the existence of controls over the physical security of these permits, the issuance of permits is also not tracked in a manner that would detect errors or inappropriate issuance or use of permits. For example, the number of permits ordered is not compared to the number of permits issued, and permits are not issued in sequential order or periodically reconciled with transactional records. The City is at risk of failing to appropriately collect more than \$500,000 in revenues from these permits. | Add unique identification or a numbering scheme to all physical permits issued City-wide. Implement periodic inventories of all preprinted permits. Departments should work with IT to record unique permit identifiers into respective databases and develop a process to reconcile transaction records to physical permits issued. | 1. Waste Hauler Permits were pre-printed with unique foil identifiers to avoid counterfeiting 2. Unique number is now printed on permits and entered into the Cash receipting system when sold. 3. A monthly report from Cashiering is submitted to Environmental Compliance in the Wastewater department to reconcile with the permits that are received from the waste haulers. | Completed – 2015 |
| Parking Citations 5. To ensure appropriate issuance, administration, and revenue collection, effective monitoring exists to ensure that all parking | Weaknesses in monitoring parking citations compromise the City's ability ensure that all parking citations are issued and administered appropriately. The Police Department is responsible for issuing parking citations, either on handheld devices or using paper citation books. These citations are brought to Parking Adjudication for processing. While citations issued using the handheld devices are uploaded electronically to the T2 database and cannot be voided, paper citations are handwritten, and the data is manually entered. At present, there are not sufficient controls in place around the paper | To improve controls over paper citations, the Police Department should document citation numbers and the count of citations prior to submission to Parking Adjudication. To share the responsibility for monitoring, the Police Department and Parking Adjudication should consider the following: • Parking Adjudication should monitor paper citation numbers to detect irregularities, such as | | |

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| <p>citations are entered into the City's A/R system.</p> | <p>citations or their data entry. Prior to sending paper citations to Parking Adjudication, the Police Department does not count the number of citations or track the citation numbers of the citations sent. Additionally, after data entry of the paper citations by Parking Adjudication, there is no reconciliation performed to ensure that all tickets submitted were properly entered into the system. Without stronger controls, the process cannot effectively prevent or detect paper parking citations that could be improperly excluded from 1) submission to Parking Adjudication or 2) entry into the database for fee collection and payment. Moreover, lack of adequate accountability over this process creates opportunities for both errors and wrongdoing, which could result in lost revenue for the City and potential public embarrassment.</p> | <p>skipped numbers.</p> <ul style="list-style-type: none"> • The Police Department should reconcile the citations issued and submitted to the citations entered in the database. • Any irregularities detected should be communicated to managers in both groups, who will research and address the cause of the irregularities | | |
| <p><i>Parking Citations</i> 6. The process for considering disputed parking citations provides adequate controls to ensure fair and equitable treatment.</p> | <p>The City's current process for monitoring and reviewing parking citations is not comprehensive enough to ensure that citations are reviewed consistently and appropriately. According to the State's Vehicle Code, a person may request an initial review by the issuing agency, in this case the Police Department, of a parking violation and the issuing agency shall cancel the parking violation if the agency is satisfied that: 1) the violation did not occur, 2) that the registered owner was not responsible for the violation, or 3) that extenuating circumstances make dismissal of the citation appropriate in the interest of justice. To help create consistency in the interpretation of these cancellation reasons, the Parking Adjudication Program Coordinator developed written guidelines for the Police Department to use when evaluating citations. The document outlines examples of acceptable and unacceptable reasons for the cancellation of parking citations. While these guidelines are helpful for many situations, they do not capture the whole review process. For example, the guidelines do not define the position within the Police Department</p> | <p>To prevent the appearance of impropriety and maximize the collection of revenue due to the City, the Police Department, in consultation with Parking Adjudication, should develop a more robust process for performing initial reviews. This process should be well-documented and include the following:</p> <ul style="list-style-type: none"> • Clear definitions of roles and responsibilities between the Police Department and Parking Adjudication. • Expected timelines for initial reviews. • Documentation requirements by issuing agency for reason of decision, whether upheld or dismissed, with guidelines about the language to include on the citation review form. • Tracking requirements for agency including the number of reviews | | |

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| | <p>that is responsible for performing the initial review, the timing within which this review will be performed, or the requirement that the agency document its reason for dismissal. Moreover, the guidelines do not adequately address how disputed citations for city employees, city officials, or their friends or family will be treated. Although the State’s Vehicle Code states, that “under no circumstances shall a personal relationship with any officer, public official, or law enforcement agency be grounds for cancellation,” additional attention to this issue is warranted. The absence of adequate controls around this citation dismissal process, including sufficient documentation and approvals, could negatively impact the City’s finances as well as its public image.</p> | <p>requested, outcome, and reason cited. This information could also serve as a management tool for training parking assistants.</p> <p>The Police Department may also want to consider the following:</p> <ul style="list-style-type: none"> • Defining “on city business” as it relates to citation dismissals. • Adopting a policy statement regarding the treatment of disputed citations issued to City employees, City officials, or associated individuals, such as friends or family. This statement could reiterate the law regarding personal relationships not being grounds for cancellations and/or warn employees that non-compliance will be subject to disciplinary review and action. • Adding a secondary reviewer on all initial reviews relating to City employees, City officials, and associated individuals. | | |
| <p>7. Revenue accounts are periodically analyzed with timely investigations for unusual variations.</p> | <p>Inconsistencies in how revenue is recorded in departments across the City limits the extent of monitoring that the Accounts Receivable Division can perform, as well as its effectiveness. The Accounts Receivable Division monitors most centrally recorded receivables and revenue trends on month-to-month, year-to-year, or other comparative time periods. However, any receivables recorded outside of the City’s system are unknown to the Division and, thus, not monitored centrally. The Finance Department and some departmental managers review trends within revenue accounts but typically only for budget projections as the new fiscal year approaches. Ongoing monitoring of receivable and revenue trends provides insight and can show significant deviations that warrant investigation.</p> | <p>See recommendation for <i>Revenue and Accounts Receivable – Control Issue 1</i>.</p> <p>Implement processes for the Accounts Receivable Division and City departments to consistently monitor all revenue accounts for variation that may warrant investigation. For example, revenue collected by location can be compared over time (e.g., month-to-month, quarter-to-quarter, year-to-year) to determine if fluctuations are significant. If there are significant fluctuations (generally, greater than +/- 5%), management should</p> | <p>See #1 above.</p> | |

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| | This analysis is a strong detective control over billing and money received. According to the Association for Certified Fraud Examiners (ACFE), ¹ the presence of proactive data monitoring and analysis correlated with fraud that was 60% less costly and 50% shorter in duration. | determine if those fluctuations are reasonable or unreasonable and warrant additional investigation. Procedures should also be developed to describe the process and define responsibilities. | | |
| Utility Billing 8. Employees do not process payments or adjust accounts for accounts holders with whom they have conflicts of interest. | While the Utility Billing Unit has an unwritten policy that prohibits employees from processing payments or adjusting accounts for related parties, such as self, friends or family. In recent years, this policy has only been communicated verbally in meetings. | Continue efforts to document this conflict of interest policy and incorporate review of policy and signed agreement to policy as part of all new employee onboarding. Continue performing spot checks of records to monitor irregular activity on employee accounts. | Finance will coordinate and provide input to Human Resources on a City Wide Conflict of Interest policy. In the interim, a memorandum to the Customer Services Division has been issued prohibiting employees from adjusting any accounts where they may have a personal interest. | Spring 2016 |
| E. Cash Collection and Handling | | | | |
| 1. A well-documented and up-to-date Cash Handling Policy exists. | The City's Cash Handling Policy that guides the collection of cash at all departments is out of date and is not well known by employees who handle cash throughout the City. Without an updated policy that is distributed to all employees who handle cash, the City is at risk of employees adopting their own methods, which may not have adequate internal controls. Additionally, without a comprehensive policy, employees may not be aware that controls over cash include not only paper and coin moneys, but also checks, money orders, and credit card receipts. Currently, there are no policies that define the acceptable methods for departments to securely store cash prior to remittance to the Cashiering Division or the frequency that departments must remit revenue to the Cashiering Division for | Update the City's Cash Handling Policy and train departments City-wide on the updated policy. Include the following elements in the policy: <ul style="list-style-type: none"> • Definition of cash. • Appropriate methods for handling cash and securely storing cash prior to deposit. • Clarification about the appropriate methods for securely transporting cash on a regular basis to Cashiering or other locations such as the Stanislaus Foundation, including the dollar amount that warrants a police escort. • Required frequency for remitting | This is a city wide process and will be addressed as part of the 15/16 Moss Adams audit plan | July 2016 |

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| | deposit into the bank. Although there is a policy regarding the transportation of money, the policy does not provide adequate guidance to departments who transport money on a regular basis. The absence of policies addressing these areas creates weaknesses in the City's cash controls and ultimately limits the City's ability to ensure that all funds are appropriately handled and collected. | cash to Cashiering for deposit. <ul style="list-style-type: none"> • Segregation of duties. • Special events. | | |
| 2. Periodic cash handling training is performed. | Not all employees who are involved in the handling of cash, preparation of deposits, entry of deposit information, and the supervision of employees that perform these duties receive periodic cash handling training. While the staff within the Cashiering Division receive cash handling training, most employees who handle cash in other departments do not. Without adequate training, employees are less likely to understand the internal controls that need to be in place to prevent misappropriation of cash. | Determine which positions (employees) should receive cash handling training based on their job duties or supervisory responsibilities, and provide training. Incorporate City-wide cash handling training into the onboarding process of relevant new employees, and provide annual training to current employees. | Cash handling training is performed within the Customer Services Division and policies and procedures exist within the Finance Department. Staff will develop a city-wide process and will collaborate with Moss Adams as part of their 15/16 audit plan | July 2016 |
| 3. The Cashiering Division is clearly defined as a resource and is the definitive authority on cash handling throughout the City, and it monitors the compliance of other departments. | There is no City-wide Administrative Directive defining the Cashiering Division (Cashiering) as the City's authority on cash handling. Without this type formal direction, Cashiering has not created cash handling policies and procedures for use City-wide, or trained personnel at departments throughout the City. While the Division is willing to provide policies, training, and cash handling service to departments, without the formal delegation of authority to Cashiering, departments have been able to develop their own practices even if they do not provide adequate internal controls. Moreover, Cashiering has not been assigned the responsibility for periodically monitoring and testing cash handling. As a result, there are varying levels of internal controls in place within departments and some weaknesses in controls were observed, including segregation of duties, monitoring, and secure storage of all cash received. For example, we noted that some | Draft a City-wide administrative directive that defines the Cashiering Division as the responsible body to develop, maintain, and disseminate a City-wide cash handling policy. The Cashiering Division should also provide cash handling training across City departments. Additionally, the City should consider: <ul style="list-style-type: none"> • Urging departments to utilize Cashiering for cash handling. • Authorizing Cashiering to provide on-site support and monitoring to departments who continue to collect cash. • Providing resources required for proper cash storage to all departments, such as | Staff will develop a city-wide directive and will collaborate with Moss Adams as part of their 15/16 audit plan | July 2016 |

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| | <p>departments who receive checks do not restrictively endorse them immediately. Similarly, some departments do not issue receipts, and others issue paper receipts but no reconciliation is performed using the receipt book to ensure that all money was appropriately collected and accounted for.</p> | <p>endorsement stamps and locking cash bags</p> | | |
| <p>4. There is appropriate segregation of duties related to cash handling</p> | <p>Certain departments do not have adequate segregation of duties to ensure proper cash handling. In some departments, the individuals responsible for collecting fees and recording transactions are also involved in preparing the deposit. Further, some of these individuals also have system access to adjust fees prior to recording transactions. In addition, some departments do not appropriately delegate the responsibility for periodically monitoring cash receipts.</p> <p>Within one division, no regular monitoring or documented review occurs by personnel not involved in the cash handling process, although records of cash counts are readily available for review. Additionally, some departments do not have adequate segregation of duties between individuals responsible for inventory management and cash handling and deposit preparation. In the absence of adequately segregated duties, the City is at risk for misappropriation of cash and loss of revenue.</p> | <p>With assistance from with Cashiering, departments lacking appropriate segregation of duties should develop appropriate segregation of duties to ensure that no individual is involved in more than one of the following steps:</p> <ul style="list-style-type: none"> • Collecting, recording payments. • Recording or authorizing write-offs or adjustments to customer accounts. • Reconciling accounts and making receipting entries into the system. <p>Responsibilities for inventory management and reconciliation should be segregated between cash handling and deposit preparation.</p> <p>If current staffing resources do not allow for segregation between all duties, then departments should work with Cashiering to develop alternative controls, such requiring managerial approval for edits/adjustments with periodic audits of edits/adjustments. All departments that collect cash directly should develop and document the process, and individuals who are not involved with cash collection should be identified to be responsible for monitoring and ensuring accuracy</p> | | |

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| | | of cash counts. The City's cash handling policy should include statements about appropriate segregation of duties and monitoring requirements for all departments that collect cash. | | |
| Solid Waste 5. Strong cash handling policies and practices are observed during management of City special events. | Solid Waste does not have adequate controls in place for the administration of its annual Earth Day event. The cash handling practices surrounding this event are weak and lack the controls necessary to prevent the misappropriation of funds. In particular, the duties of collecting and depositing money are not appropriately segregated, and cash is not adequately secured prior to deposit. Additionally, sufficient controls are not incorporated into the administration and management of the event to prevent fraud, waste, or abuse. Although many of the vendors at the event are non-profit organizations, and pay no fee, several individuals involved in the process have the ability to assign booths to for-profit vendors for free or at a reduced rate without obtaining any approval or authorization. While we did not observe any indications that fraud, waste, or abuse has occurred, the existing process lacks the controls to prevent its occurrence and could ultimately result in a loss of revenue for the City in the future. | Adhere to City-wide cash handling policy. See recommendation for <i>Cash Collection and Handling – Control Objective 1</i> . Continue current collaboration efforts with the Cashiering Division to develop a process whereby Cashiering collects the funds and remits all vendor applications to Solid Waste. Alternately, assign a second individual to the process so duties can be segregated for this event and all other events or instances where cash is collected. Also, obtain a combination drop-in safe to secure funds prior to deposit. Continue current efforts to involve Finance in tracking deposits for the event. Develop formalized oversight over the event, including monitoring of revenues, expenses, and vendor assignment, and assign oversight to an individual who does not have the ability to modify the spreadsheet used to administer the event. Consider involving Finance in this oversight role. Increase controls over the master spreadsheet that contains vendor and event administration information, including providing read-only access to most users and granting full access to only a limited number of users. | <ol style="list-style-type: none"> 1. All vendors will now make payment directly to Cashiering instead of to the department taking the applications. 2. The person receiving the application will post to a password protected spreadsheet and cashiering will receipt the monies 3. Due to change in procedures resulting from #1, a combination safe is no longer needed. 4. Established new policy that vendor fees or late charges will not be waived. | Completed – 2015 |
| 6. Cash is stored | The City's vault may not provide maximum | Continue to improve security within | 1. The safe | Early 2016 |

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| <p>securely when not in the custody of the City's bank.</p> | <p>security for the City's cash and other valuable items. The vault, which is shared by the City and Stanislaus County (the County), has a combination code. This combination was not regularly updated despite the numerous personnel changes that have occurred both at the City and the County. Once inside the vault, the cages separating the City's and County's sides are secured with locks. Additionally, the monies in the vault stored for deposit prior to the arrival of the armored car are not kept in the most secure manner possible.</p> <p>While Cashiering has successfully installed cameras throughout many parts of this location, installing additional cameras would provide added security. Similarly, while other departments have effectively installed cameras or other controls to protect certain high-risk areas of their operations, they have left other areas less protected. By failing to employ all reasonable solutions available to protect its resources, the City may be missing valuable opportunities to safeguard its resources.</p> | <p>the vault. Following our fieldwork, the City changed the combination to the vault and is planning to replace the lock to the internal cage in the vault.</p> <p>Continue with planned efforts and change the combination on a quarterly basis.</p> <p>Maintain an up-to-date a list of all individuals, both with the City and the County, who have the combination and whether they have since terminated their employment.</p> <p>Explore opportunities to replace the combination lock with a more advanced electronic lock. Consider locks that would allow distinct combinations to the vault—at least one each for the City and County.</p> <p>Explore options for installing additional cameras.</p> | <p>combination changes quarterly</p> <ol style="list-style-type: none"> 2. Current list of staff with combination is maintained to assure security 3. Options to replace the combination lock being explored 4. Cameras for the interior of the vault are in process | |
| <p>7. Adequate policies and processes exist to ensure secure and appropriate handling of all credit card transactions.</p> | <p>The City's written policies and established processes are not comprehensive enough to ensure the appropriate handling and treatment of credit cards in all types of scenarios. Most credit card payments made over the phone use an automated system that does not house any credit card information, and security measures are in place to mitigate fraud risks. However, while it seldom occurs, employees may take credit card payments over the phone. The City does not have an explicit written policy stating how the security of credit card information shall be safeguarded in these instances. Additionally, system access is not restricted for employees to refund or void credit card transactions at any of the terminals within Cashiering. Although employees are advised not to perform voids or refunds without the prior approval of a lead or supervisor, the credit card system does not limit these transactions. While managers stated that any unauthorized voids or refunds would be detected through the routine reconciliation process, there</p> | <p>Develop policies and procedures and then conduct training to address the following:</p> <ul style="list-style-type: none"> • Appropriate handling of credit card information to ensure security across all possible scenarios. This should include assisting customers with credit card payments over the phone. For example, for any payments taken over the phone, the policy could state that employees must enter credit card information directly into the terminal or the online web payment system, GovNow. • Establish rules governing the void or refund process at credit card terminals. <p>Explore functionality of credit card terminals with the vendor, and discuss opportunities for unique</p> | <ol style="list-style-type: none"> 1. The City has a Red Flag Program approved by Council to protect citizens private credit card information and to respond to any fraud activity 2. Staff will no longer make the exception of taking a credit card payment without use of any automated system such as Gov Now. 3 Cashiering has replaced all credit card terminals city wide to ensure new EMV chip requirements. 4 New credit card terminals are now password protected for access to refunds and | <p>Spring 2016</p> |

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| | are no system controls in place to prevent these voids or refunds prior to their occurrence. The City's policies and processes may not be comprehensive enough to provide the maximum level of assurance that credit card information is protected in all situations | user identification and/or limiting system access for refunds and voids. | voids. | |
| F. IT General Controls | | | | |
| 1. There is segregation of duties between IT staff responsible for moving system changes into production and the IT staff involved in the development of those system changes. | Due to resource constraints, there is a lack of segregation of duties between the developers of system changes and those who move system changes into the production environment. These duties should be segregated to prevent unauthorized changes. | Periodically reevaluate if these duties can be segregated. If duties cannot be segregated, additional monitoring controls should be instituted. | | |
| 2. Security policies are updated to reflect current practices. | The City's security policies, such as the Information Security Policy, have not been updated since 2006. Security practices change continuously, resulting in outdated policies. | Review security policies annually and make updates as needed for the policies to reflect current practices. | | |
| 3. Access to the data center is restricted to authorized personnel. | There are employees who have access to the data center who do not have need for such access. This increases the City's risk that systems housed within the data center are not secure. | Review and update access to the data center so only authorized personnel with the need for access have access to the data center. | | |
| Police 4. Information stored within data systems is adequately safeguarded through access | The Police Department's administration of its data systems may not be sufficient to protect the information contained in these systems. At present, the module of the records management system used by the Police Department to track property and evidence is not configured with adequate system controls to ensure that all changes to property and evidence records are | In collaboration with Police's IT group, explore the ability to implement greater system controls over the property and evidence management module, including limiting the ability to make certain changes to a select group of users such as senior technicians or | | |

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| limitations and other existing controls. | <p>appropriate and authorized. While the ability to delete a record from the module entirely is limited, other key information can be altered by a wider group of users.</p> <p>Although the ability to make changes to information within the records management system and the imaging system is largely limited based on the users' roles, the ability to view records is granted broadly across users. The Department does not perform periodic monitoring to prevent or detect inappropriate access to records within these systems. Instead, the Police Department reviews users' access and activities only when allegations or suspicions of inappropriate conduct arise.</p> <p>Although the audit trail created within the system is beneficial when investigating possible issues, the Department may not be doing enough to prevent and detect these activities. Without stronger controls over these systems and the information they contain, the Police Department risks the possibility of compromised data or leaked information that could lead to significant public criticism and impede court proceedings.</p> | <p>supervisors.</p> <p>Alternately, if system access cannot feasibly be modified for this module, develop a process whereby certain types of changes within the system must be reviewed. Additionally, implement periodic monitoring of activities within the property and evidence management module to prevent and detect inappropriate activities.</p> <p>Explore options for limiting view-only access to the record management and imaging systems. Develop a process for periodically monitoring activities within the records management system and imaging system, either by user or by case.</p> | | |
| 5. The disaster recovery plan has been tested and all users know and understand their duties in case of a disaster. | <p>The City has not tested its contingency plan to ensure that it works as intended. The City has adopted a contingency plan to resume orderly operations as soon as possible after an emergency. Without testing, it is unclear that all users know their duties during a disaster. Additionally the plan was last updated in 2010, and parts of the plan may be outdated.</p> | <p>Test the disaster recovery plan. Following the test, conduct trainings or revisions to the plan as necessary.</p> <p>Review the Contingency Plan annually and update the plan as needed.</p> | | |
| 6. A system development life cycle (SDLC) methodology is in place, which includes security and processing integrity | <p>The City does not have a SDLC policy that encompasses all City systems. While there are examples of SDLC "practices" in place and documented change management procedures for Oracle modules, there is not an overall governing SDLC policy. Policies and procedures regarding SDLC are important, because they provide the control framework by communicating requirements on how systems are intended to be developed, implemented, and used, and provide</p> | <p>Continue to update and/or develop policy and procedural documentation to help govern SDLC and change management processes. For example, the IT Department should establish change management procedures that cover the requirements for ensuring management approval before hardware, software, and</p> | | |

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| requirements of the organization. | guidance to technical staff regarding how systems should be administered. | configuration changes are applied to critical business systems. | | |
| G. Monthly Financial Close and Account Reconciliations | | | | |
| 1. Monthly account reconciliations and other monthly processes are consistently performed and documented. | The Finance Department does not have standardized monthly close and reconciliation procedures that are consistently performed and documented. The Finance Department does have some spreadsheets that help ensure that standard journal entries are made each month; however, these spreadsheets do not encompass all monthly procedures and these processes may not be completed every month due to resource constraints. By not consistently performing certain recurring journal entries or account reconciliations each month, the City is at a higher risk of error in the financial statements, and financial information is not consistent or comparable from month to month. | Expand the journal entry spreadsheets to include all journal entries and reconciliations that need to be performed each month. Have an assigned preparer and reviewer for each procedure to ensure the procedures are consistently and accurately performed each month. | | |
| 2. Bank reconciliations are completed timely and accurately. | Bank reconciliations are not completed in a timely manner during certain times of the year due to resource constraints. During months where Finance staff are preparing for the financial statement audit, the bank reconciliations are prepared three to four months after month end. If bank reconciliations are not performed timely, within one to two months of month end, there is a risk that errors will not be identified and corrected. | Evaluate resources to determine if bank reconciliations can be prioritized to be completed one to two months after month end. | Current staff resources do not allow for this action. However, since all accounts are eventually reconciled and all differences are addressed, staff does not believe the cost of additional staff warrant the benefit received. As workloads allow, these reconciliations will be completed as timely as possible. | Completed – 2015 |
| 3. Only authorized personnel have signature authority on accounts. | Some personnel with signature authority for the funds at the Stanislaus Community Foundation no longer work at the City. As a result, unauthorized transactions could occur. | Update the signature authority at the Stanislaus Community Foundation to reflect current personnel at the City with the signature authority for these accounts. Quarterly, review signature authority to ensure that | The Finance Department and Parks Department have updated all signature authority forms to ensure the appropriate staff has authorization | Completed |

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| | | changes are made as staffing changes are made. | to draw funds from these accounts. The Finance Department will continue to monitor any updates based on personnel staff changes. | |
| H. Overall Control Environment | | | | |
| 1. Physical access and security are well-managed and monitored. | <p>Records and current practices over key controls, including the issuance and return of keys, are not adequate to ensure that access and security to the City's facilities are safeguarded. The City's has an Administrative Directive regarding key control that states that the City's policy is "to maintain the security of City facilities by providing the minimum number of keys necessary for employees to function in their authorized capacity. Whenever practical, only supervisory employees should be issued keys." Observations revealed some paper records with inaccurate information regarding key issuance and return, as well as numerous keys that were never returned upon termination from City or County employment. Records related to keys are maintained on paper and in a database, making data entry duplicative and increasing the chance of error. Within the database, records for terminated employees are deleted rather than being reclassified as inactive. By deleting records for past employees, the City is limiting the usefulness of this database as a resource when investigating inappropriate access to facilities or compiling a comprehensive list of all individuals with prior access. Similarly, when someone terminates their employment, their record is deleted from the database used to administer proximity card access. While terminating access is appropriate, deleting the person's record entirely eliminates all information about proximity card</p> | <p>Continue the process to procure a system for administering proximity card access and ensure the capability to retain records for terminated or inactive users. Improve the current Access database to increase functionality, including the ability to archive employees who are no longer active. Explore opportunities to eliminate the redundant system by going paperless and storing records of signatures electronically.</p> <p>Consider strategies to improve the return rate of keys, such as requiring receipt before issuing a final paycheck.</p> <p>Consider ongoing monitoring opportunities such as spot audits to increase assurance regarding the accuracy of key records</p> | | |

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| | use. Weaknesses in key controls pose risks of authorized access, as well as having incomplete information available when investigating access or personnel issues. | | | |
| 2. An anonymous whistleblower hotline is an important tool for the effective reporting of fraud, waste, and abuse. | <p>The City does not have a whistleblower hotline. A number of employees indicated that a hotline exists, but they did not know how to access it. Others stated that no hotline existed. Despite searches of the City's website leading to results on a City Resolution with the Non-Retaliation policy² and a broken link related to whistleblower reporting, the City does not have a whistleblower hotline.³</p> <p>According to the 2008 ACFE Report to the Nation, approximately 46% of all fraud was uncovered through tips.</p> | <p>Implement a whistleblower hotline through a third party.</p> <p>Establish a whistleblower hotline and make it available to employees, vendors, customers, and the public.</p> <p>Communicate the availability of the hotline on a regular basis, at least annually. For employees, the City should identify the types of activities that should be reported.</p> <p>Periodically monitor the effectiveness of the hotline, including comparison to benchmarking.</p> | Staff is in process of implementing this item. | Spring 2016 |
| 3. Audit findings issued to the City are handled in a cohesive centralized manner to ensure ongoing monitoring and resolution. | <p>Audit findings issued to the City are not handled in a cohesive, centralized manner to ensure monitoring and accountability. Not all audit findings are issued to the Audit Committee. Instead, some audits have been provided directly to departments. Additionally, the City does not maintain a centralized, comprehensive record of all audit findings or systematically monitor findings until they are resolved. Audit findings may address a variety of issues including non-compliance, effectiveness, and efficiency. There are often underlying internal control weaknesses at the root of audit findings. Without a process in place to ensure the monitoring and resolution of audit findings, weaknesses within the City's control environment may go unaddressed or even get worse.</p> | <p>The City should develop and distribute a policy stating that all audit findings issued to the City, its departments, its divisions, or its programs must be directed to the City Manager's office upon receipt and be presented to the Audit Committee.</p> <p>The City Manager's Office should track all audit findings, recommendations, and status of implementation. To ensure the resolution of a finding, evidence should be provided to an independent and objective entity for validation.</p> | Staff is in process of implementing this item. | Summer 2016 |
| 4. Employees are provided relevant training to understand and | <p>While a training program exists to provide mandated courses, such as sexual harassment prevention, the program does not address internal controls and how to prevent and detect fraud, waste, and abuse. According to the ACFE,⁴ the</p> | <p>Provide annual training to all employees on internal controls and fraud, waste, and abuse prevention. Training should be provided at all levels of the</p> | Staff is in process of implementing this item. | Summer 2016 |

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| | adhere to internal controls, as well as how to prevent and detect fraud, waste, and abuse. | typical organization loses 5% of revenue each year to fraud, with asset misappropriation being the most common form of fraud. | organization (i.e., Council, management, and staff). | |
| 5. The tone at the top conveys a clear emphasis on the importance performing duties with integrity and ethical values. | Changes in leadership throughout the City and its departments has left the “tone at the top” unclear. In recent years, the City has experienced a significant number of changes throughout the City’s departments and leadership. High turnover and reorganizations can create an environment of uncertainty, which, in turn, can weaken the City’s overall control environment particularly if deliberate efforts to demonstrate and communicate the “tone at the top” are not undertaken. | Continue recent efforts by the City’s new leadership to: <ul style="list-style-type: none"> • Communicate with employees. • Cultivate a more positive environment. • Convey messaging about the shared values relating to ethics and integrity. Institute regular communications from City leadership with all City employees. | Staff is in the process of implementing this item. | Summer 2016 |
| I. Other | | | | |
| Community and Economic Development: Housing and Urban Development (HUD) Unit 1. A well-designed organizational structure as well as solid processes, policies, and procedures provide the foundation for strong internal controls within a department or division. | The HUD Unit, now a part of the Community and Economic Development Department, lacks adequate internal controls in a variety of areas. The HUD Unit’s flat organizational structure, without clearly defined responsibilities and assignments, has posed challenges to accountability. Additionally, some staff have been performing duties without adequate training. Some processes within the HUD Unit need to be modified in order to strengthen internal controls. For example, processes to adequately ensure that conflicts of interests are disclosed and monitored is critical for all parties involved in the HUD Unit’s operations. Additionally, the absence of strong accounts payable processes, such as maintaining agreements with all vendors submitting invoices, creates a risk of fraud, waste, or abuse as well as additional audit findings. Also, the Unit’s policies and procedures are out-of-date and do not comprehensively guide its processes and practices. For example, granting and revoking | Continue efforts already underway by Community Development to improve processes, update policies and procedures, and strengthen internal controls. These efforts should include: <ul style="list-style-type: none"> • Clearly defining roles and responsibilities of staff to increase ownership and accountability. • Training for existing staff to perform job duties. • Examining and modifying organizational structure to ensure reasonable span of control and adequate oversight. • Relocating HUD Unit staff to the same floor as the rest of the division. • Continuing efforts to update and revise all policies and procedures, including controls over IDIS | | |

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| | <p>access to the grants management system (IDIS) is outdated and does not include enough detail. Weaknesses in the internal controls within the HUD Unit jeopardize the City's funding, as well as public confidence in the fairness and appropriate administration of public funding.</p> | <p>system access.</p> <ul style="list-style-type: none"> Continuing efforts to implement improved controls over accounts payable. Expanding the conflict of interest policy to include financial disclosures by Division staff members involved in any application reviews. <p>The City should consider dedicating additional resources to the HUD Unit, at least temporarily, to help expedite resolution of audit findings and implement improvements within the Unit.</p> | | |
| <p>Police 2. The Police Department's property and evidence handling practices, as well as the monitoring of these practices, provide adequate safeguards.</p> | <p>While the Police Department has numerous processes and practices in place to store and manage property and evidence, elements of these processes and practices could be strengthened to incorporate even stronger controls. Under the law, evidence for certain types of cases must be retained for lengthy periods of time. Faced with space constraints, some evidence is not stored in conditions that are optimal for safeguarding and preserving their condition. Additionally, we found that the process for authorizing and destroying guns and drugs lacks controls at certain steps in the process. Although the Police Department has many policies and procedures regarding evidence and property handling, these documents do not currently address all key activities and processes. Without written documentation, the Police Department faces greater risk of non-compliance, particularly when duties are rotated or new staff is hired. Each year, audits are performed to monitor property and evidence. While these audits are effective tools for identifying, locating, and examining a relatively large number of high-risk items, such as guns, drugs, money, and jewelry, the scope of these audits is not all-encompassing. For example, electronics and other types of evidence are not selected as part of these audits. Similarly, these</p> | <p>Develop a process for reconciling all of the items authorized for destruction to the items prepared for destruction.</p> <p>Explore cost-effective options for long-term evidence storage, particularly for cases that have already been adjudicated and have lengthy retention requirements. Consider the evidentiary value of all items stored at the Property and Evidence Building and adjust storage locations accordingly. For example, evidence and property associated with any criminal case should be prioritized over found belongings with no evidentiary value and negligible monetary value.</p> <p>Explore possible methods to efficiently and effectively augment the current audit scope and monitoring efforts. Some options include:</p> <ul style="list-style-type: none"> Accounting for all property and evidence associated with a handful of cases. | | |

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| | audits do not ensure that all types of evidence associated with a given case are accounted for. While staffing constraints limit how much time can be dedicated to these audits, the impact of missing or mishandled evidence, regardless of the type of evidence, could have negative consequences. | <ul style="list-style-type: none"> • Conducting periodic smaller audits of other types of evidence, such as electronics, or examining the handling of certain types of evidence, such as biological samples. <p>To more efficiently manage property and evidence, expand the use of the existing records management system and its property and records module to fully incorporate the use of barcodes. If functionality does not exist within the existing system, explore options such as investing in additional programming to the existing system or assess needs Department-wide for a new, more robust system.</p> | | |
| 3. Approval authority is properly delegated and monitored. | Approvals may not be properly delegated and monitoring controls are not in place to identify misuse. The COSMO system has a function where vacation rules can be set up so that approval authority for purchases, timecard, expenses, etc., can be delegated to a manager's backup, so business can continue to function during an employee's absence. While this is an efficient process, there is no oversight to ensure that employees are not setting vacation rules for an extended period of time or delegating approval authority to an unauthorized employee. | Implement processes and procedures to review vacation rules in COSMO on a monthly basis and investigate any unusual vacation rule settings | | |
| 4. Procedures and processes should be formally documented and followed. | The City's processes, policies, and procedures are not consistently documented or up-to-date. Processes and procedures exist for some areas. However, many processes and procedures are outdated. Some departments may have documented procedures; however, they are not centrally located and not always readily available. Moreover, policies may be inconsistent across various policy documents. Providing clear direction through formalized processes and procedures is imperative for | Establish a clear policy environment including a hierarchy for policy documents. Document processes and procedures and make timely updates for changes. These procedures should be centrally available and consistently followed. | | |

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| | training employees and to ensure the duties can still be performed in the event of employee turnover. | | | |