



CITY OF TAMPA

Pam Iorio, Mayor

Internal Audit Department

Cynthia D. Miller, Audit Director

November 9, 2004

Honorable Pam Iorio
Mayor, City of Tampa
1 City Hall Plaza
Tampa, Florida

RE: Tampa Police Department – Fiscal Bureau, Audit 04-01

Dear Mayor Iorio:

Attached is the Internal Audit Department's report on Tampa Police Department's Fiscal Bureau Operations.

We thank the management and staff of the Fiscal Bureau for their cooperation and assistance during this audit.

Sincerely,

Cynthia D. Miller
Director of Internal Audit

cc: Stephen Hogue, Police Chief

**TAMPA POLICE DEPARTMENT
FISCAL BUREAU
AUDIT 04-01
NOVEMBER 9, 2004**

**TAMPA POLICE DEPARTMENT
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Auditor

Audit Supervisor

Audit Director

**TAMPA POLICE DEPARTMENT
FISCAL BUREAU
AUDIT 04-01**

INTRODUCTION

The Tampa Police Department's Fiscal Bureau has a current staff of 17 employees. There are four areas within the Fiscal Bureau: payroll, operations, methods development and database administration and property control. The area is responsible for the record keeping and accounting of all monetary transactions involving the Police Department. Included in these record keeping duties is the tracking and monitoring of funds received via court or other federal agency awards.

As noted above, the Fiscal Bureau receives and deposits monies received from various Police activities on a daily basis. For FY04 (through April) more than \$6 million had been deposited from all Police activities.

STATEMENT OF OBJECTIVES

This audit was conducted in accordance with the Internal Audit Department's FY04 Audit Agenda. The objectives of this audit were to ensure that:

1. Determine if petty cash accounts were properly monitored; and
2. Determine if contract and grant monitoring was adequate.

STATEMENT OF SCOPE

The audit period covered Fiscal Bureau activity that occurred from October 1, 2002 to April 30, 2004 (FY03 to FY04 to-date). Source documentation was obtained from Fiscal Bureau. Original records as well as copies were used as evidence and verified through physical examination.

STATEMENT OF METHODOLOGY

The sample size and selection were statistically generated using a desired confidence level of 90%, expected error rate of 3% and a desired precision of +/- 5%. Statistical sampling was used in order to infer the conclusions of test work performed on a sample to the population from which it was drawn and to obtain estimates of sampling error involved. When appropriate, judgmental sampling was used to improve the overall efficiency of the audit.

STATEMENT OF AUDITING STANDARDS

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

AUDIT CONCLUSIONS

Based upon the test work performed and the audit findings noted below, we conclude that:

1. The petty cash accounts were properly monitored; and
2. Contract and grant monitoring needed some improvement.

While the findings discussed below may not, individually or in the aggregate, significantly impair the operations of the Police Department and its Fiscal Bureau, they do present risks that can be more effectively controlled. Before we completed our audit, Police Department personnel implemented some of the Internal Audit Department's recommendations.

FEDERAL GRANT AWARDS

Compliance with grant award requirements involves more than one City department. While the Police Department receives and uses the funds from the award the following City departments also have a critical role:

- Department of Revenue and Finance - submits financial status reports, requests the funds (Accounting) and allocates the appropriations for any funds needed to “match” the award (Budget).
- Department of Human Resources - prepares the Equal Employment Opportunity Plan.

Additionally, the purpose of the grant dictates the area of the Police Department to receive the funding, therefore, the status reports are not prepared by the same individual. Overall, the current process is not favorable for ensuring that all requirements of grant awards are documented as being met.

As a result, a review of all grants, other than Weed and Seed and HIDTA, received as of the audit period, disclosed several grant special conditions were not documented as required by the particular award. Specifically, where required, there was no documentation to support that: an Equal Employment Opportunity Plan had been submitted (Technology Grant and Local Law Enforcement Block Grant) or that status and / or financial reports were submitted when required (Early Intervention Grant and Homeland Security Grant).

Note: after the completion of fieldwork, the status reports required for the Early Intervention Grant were submitted to the awarding agency.

While there have been no repercussions for non-compliance, the award documents infer that future awards could be affected.

RECOMMENDATION

With each award, Management should develop a system to document specific grant requirements and assign responsibility for completing them. Additionally, compliance with award conditions should be clearly documented. For example, separate index codes in FAMIS to identify grant matching funds should be developed.

AUDITEE RESPONSE – POLICE DEPARTMENT

The Fiscal Bureau of the Tampa Police Department agrees with the recommendation from Internal Audit with one exception. The Police Department already has business practices in place that ensure grant requirements are met. We agree that we need to document those processes into the Department’s Standard Operating Procedures.

Other city departments perform portions of the grant financial reporting process. The Fiscal Manager and the Grants Specialist coordinate all grant requirements with the respective city

departments. We also agree with the recommendation that we need to strengthen the grant coordination between TPD and other city departments. We will include their duties and responsibilities in our SOP on Grant Administration.