

POLICE FISCAL BUREAU

BACKGROUND

The Fiscal Bureau is responsible for performing administrative support to the Tampa Police Department (TPD), and is organized into three sections.

The Payroll Section prepares bi-weekly payrolls which include basic pay along with several special pay categories. This section was audited in FY 92 (Audit # 92-07) and the applicable Post Audit Review indicated that all recommendations of the audit were implemented.

The Purchasing Section manages the Department's acquisitions. The section processed over 2,500 purchase requisitions and 250 central publication requisitions in FY 92. Note: The City owns and operates a printing facility.

The Fiscal Bureau makes daily bank deposits and reconciles these deposits with all revenue received by the Police Department. Revenues come from a variety of sources, such as: sale of accident and investigative reports; confiscated money and property; towing, storage, and impound lot fees; Police Academy tuition; and various TPD service contracts.

In addition, the Bureau handles: the processing and arrangement of all Departmental travel, the removal of obsolete assets from service, the maintenance and renewal of confidential/fictitious license plates from it undercover vehicles, the administration and monitoring of grant programs, the coordination and development of the Department budget, and the preparation and submittal of budget amendments.

The Bureau processes about \$3 million annually. It has 11 employees and has expenses of about \$316,000. This was for FY 93.

SCOPE

The audit period was from October 1, 1991, to January 31, 1993 (16 months).

PLANNING

1. Prepare and send an entrance letter to the Police chief.
2. Prepare a planning program and include a time budget for the preliminary survey work.
3. Conduct an in-house review of the following:
 - a. Prior internal audit reports and management comments;
 - b. The annual budget and standard operating procedures (SOP) of the Department, and
 - c. Charter, Organization Chart, and any written procedures that affect the operations of the Bureau.
4. Schedule and hold an entrance conference with the Police Chief, and appropriate Bureau personnel. Obtain the name of the departmental contact person, and secure a place from which to conduct the field work portion of the audit.

5. Begin the preliminary survey by interviewing the appropriate personnel in the Fiscal Bureau. Document the interviews with narratives in the work file.
6. Review and document the system of Internal Controls. Include control points, such as the location within the system of approvals, authorizations, segregation of duties, supervision, reconciliations, computer-generated error and edit listings, exception reports, etc.
7. After gaining an understanding of various functions, conduct several transaction walk-throughs. Revise documentation as necessary.
8. Prepare a survey memo/risk assessment worksheet listing the strengths and weaknesses of the system. Discuss the areas of greatest risk and exposure to the city. Also, include suggested audit objectives and test procedures. Discuss with the Audit Supervisor.
9. Prepare the audit program and include a time budget and estimated completion date. Index the work file and turn in for review.
10. Clear review notes and revise the audit program, if necessary.

OBJECTIVE 1:

Ensure the adequacy of internal controls over daily deposits and that deposits are made in a timely manner.

1. Document risk, compensating controls, and internal controls over daily deposits.
2. Generate a random sample using the deposits' validation numbers. Sample attributes: 95% confidence level, 3% expected error rate, and + or - 5% desired precision.
3. Test controls as considered necessary.
4. Examine support for and trace "Cash receipts and Deposits" forms to deposit slips.
5. Summarize and conclude.

OBJECTIVE 2:

Determine that revenues are monitored, collected, and recorded in a timely manner.

1. Based upon testwork performed in the preliminary survey (revenue analysis), summarize and conclude.

OBJECTIVE 3:

Determine that false alarm revenues are properly recorded and collectible.

1. Generate a random sample using the log of false alarms. Sample attributes: 95% confidence level, 3% expected error rate, and + or - 5% desired precision level.
2. Reconcile source documentation of the sample to deposit slip or receivable details.

3. Prepare an aging of accounts receivable and ensure collectibility of balances.
4. Summarize and conclude.

OBJECTIVE 4:

Determine costs incurred for rotation towing and storage are reasonable and invoices are properly reviewed prior to authorizing payment.

1. Conduct market analysis of other municipalities to ensure the reasonableness of costs.
2. Obtain detail of monthly invoices and trace to supporting documentation.
3. Test for proper review and authorization to pay.
4. Summarize and conclude.

OBJECTIVE 5:

Determine if budget amendments and journal entries are properly documented and/or justified.

1. Examine all budget amendments during the audit period to ensure reasonableness, proper review, and authorization.
2. Summarize and conclude.

WRAP-UP

1. Complete and index workpapers.
2. Clear review notes.
3. Prepare a preliminary draft of the audit report.
4. Prepare requests for auditee responses.
5. Schedule and hold exit conference.
6. Incorporate auditee responses into the final audit report.
7. Obtain final sign off on report and send to the printer.