City of Springfield, Missouri

Police Operations Internal Audit
Fieldwork August 2018

RubinBrown®

February 21, 2019

Finance and Administration Committee
City of Springfield
840 Boonville Ave.
Springfield, Missouri 65802

Re: Police Operations Internal Audit

Dear Committee Members:

In conjunction with our overall engagement to provide internal audit services to the City of Springfield ("City"), we have completed our internal audit of police operations and the associated internal controls. Our services were performed in accordance with the International Standards for the Professional Practice of Internal Auditing, as promulgated by the Institute of Internal Auditors (IIA).

The accompanying report includes an Executive Summary, our Observations and Recommendations and Process Improvement Opportunities. Because the procedures performed in conjunction with the review are more limited than would be necessary to provide an opinion on the system of internal accounting controls taken as a whole, such an opinion is not expressed. In addition, the engagement did not include a detailed audit of transactions that would be required to discover fraud, defalcations or other irregularities.

This report is intended solely for the information and use of management and the City Council and is not intended to be, and should not be, used by anyone other than the specified parties. City of Springfield external auditors may be provided with a copy of this report in connection with fulfilling their responsibilities. In addition, we understand that the City may be required to make our report, once finalized, available under sunshine laws.

We would like to express our gratitude to all employees involved with this project. Each person involved was accessible and responsive to our requests for information.

Sincerely,

RUBINBROWN LLP

Christina Solomon, CPA/CFF, CFE, CGMA
Partner
Direct Dial Number: 314.290.3497
E-mail: christina.solomon@rubinbrown.com

cc: Chief Paul Williams   Major Greg Higdon
    Major Vance Holland   David Holtmann
    Jody Vernon

Table of Contents

Executive Summary

Project Overview and Scope

We have completed our police operations internal audit for the City of Springfield. The objectives of our audit were to:

1. Ensure adequate internal controls exist over cash, inventory (including evidence), training, and document management within police operations and that the controls are operating effectively.

2. Evaluate cash, inventory, training, and document management processes for operating efficiencies and applicability of best practices.

In order to achieve the objectives above we completed the following activities:

■ In person interviews with police personnel. The objective of the interviews was to gain an understanding and document business processes related to cash handling, asset inventories, training, and document management.

■ Limited testing of transactions from July 1, 2017 through June 30, 2018 and key controls identified in the interview process in order to determine whether controls were operating as described. Areas of testing included:

- Inventory of agency owned equipment;
- Inventory of evidence in the property room;
- Petty cash procedures in the Special Investigations Unit;
- Logical access review to key programs used by police personnel; and
- Physical access review to police headquarters.

Background

The Springfield Police Department (SPD) has been accredited by the Commission on Accreditation for Law Enforcement (CALEA) since 1997. Springfield Police is comprised of approximately 350 sworn officers and 80 civilian employees. SPD serves a population of approximately 160,000 citizens over 83 square miles. The department operates out of a headquarters station in Government Plaza, a South District Station, a substation at Missouri State University, and undisclosed support buildings for Special Investigations. SPD does not operate a jail facility; the jail is run by the Greene County Sheriff's Office.

Best Practices

Based on discussions with management personnel, the following processes are in place at the Springfield Police Department and represent best practices:

- The policies and procedures used by the Springfield Police Department are documented in the *Standard Operating Guidelines*, which are publicly available to all citizens on the department's website. Each policy is reviewed at least annually in a process led by the Policy Corporal and employees are encouraged to submit suggestions for policy changes at any time during the year.

- The Property Room at the police headquarters building is well organized. Each area has specific sub-locations, such as a shelf number or box number that is recorded in Niche Record Management System and allows evidence to be located more quickly by Property Room staff. Access is restricted by card reader to just four Property Room employees and two supervisors.

- Springfield Police Department has a dedicated Accreditation Manager who is responsible for monitoring the on-going CALEA Accreditation process. The department is expanding the use of the accreditation software, Power DMS, to all employees in order to make policy acknowledgment and review procedures more efficient.

Observations and Recommendations

We noted the following observations during our review:

- A comparison of the building access listing to the police department employee list concluded there were enabled access cards for persons who were not authorized to have access at the time of the comparison.

- Petty cash receipts within the Special Investigations Unit were not required to be approved before disbursement was made.

- A sample inventory check of agency-owned equipment revealed discrepancies between the locations of two pieces of equipment as recorded in the system versus the actual location of the equipment.

- A comparison of the logical user access listing for Niche, Quarter Master, and Administrative Investigative Management System (AIM) to the police department employee list determined there were three employees whose software access was not removed timely following the employee's departure from the department.

Additionally, we provided five process improvement opportunities related to efficiency and safety. All observations, recommendations, and process improvement opportunities were discussed with management. Details are noted in the tables attached immediately hereafter.

#	Process/Procedure	Observation and Risk	Recommendation	Management Response
1	Physical access to the police headquarters building is restricted using an access card system. Once inside the building, several doors are restricted with access card readers to employees authorized to access that particular location of the building. C-Cure 9000, the software used to manage building access, is used city-wide.	**Observation:** We compared the enabled access card listing for the police headquarters building against the active employee list and concluded the following: • Thirty-seven of 508 persons identified as police on the access card listing were former authorized individuals who should no longer have building access; • Two police employees had more than one access card enabled at the time of the comparison; and • Nineteen generic or temporary access cards and four vendor access cards were enabled. Management disabled the access cards for the former authorized individuals and duplicate access cards upon learning the results of the comparison. Management also conducted a review of the generic or temporary access cards. **Risk:** Improper oversight over access card issuance and access card termination procedures increases the risk that unauthorized persons or former employees can access City buildings.	Conduct a full review of the access card readers at police facilities and disable access for all unauthorized persons. Consider reviewing access reports to verify whether the former authorized individuals accessed the building after their last working date with the department. Disable any subsequent access cards for people identified as having more than one enabled access card. Review the access card listing for any generic/temporary or vendor access cards and reduce the number of these types of access cards to only those that are necessary.	**Captain – Support Services Division** This review was completed while the auditors were on site. The Investigations and Support Services Bureau (ISSB) Office Administrator will conduct an annual review of the access list. All former authorized individuals were removed from the system. Duplicate cards were deactivated. Temporary/generic and vendor access cards were all accounted for, reviewed and determined to be needed. This review will be done on an annual basis moving forward. Target date to implement annual review: August 31, 2019

#	Process/Procedure	Observation and Risk	Recommendation	Management Response
2	The Office Administrator for the Special Investigations Unit serves as the petty cash custodian for two petty cash funds of $3,000 and $1,000. The primary purpose of both funds is to reimburse officers for vehicle maintenance expenses for undercover vehicles.	**Observation:** Through inquiry and observation of the petty cash records we determined that, while a valid receipt is required for all disbursements from the Special Investigations petty cash fund, these receipts are not approved by a supervisor before payment is issued. We sampled 10 vehicle maintenance receipts and compared the VIN or plate number on the invoice to the list of undercover vehicles in the department and found each invoice was for work performed on a valid undercover vehicle. **Risk:** The absence of an approval function for petty cash receipts increases the likelihood that expenses may not be for a valid business purpose.	Create a policy that would require Supervisor/Sergeant approval for all pretty cash disbursements. This can be accomplished by requiring the employee who is seeking reimbursement to obtain the signature of the Supervisor/Sergeant on the receipt. Inform the petty cash custodian that a disbursement cannot be made from the petty cash fund without a valid receipt with the approval signature.	**Major – Uniform Operations Bureau** The recommendation to require Sergeant review/approval to the SIU petty cash reimbursement process will be added to the current policy. **Assistant Director of Finance** The Special Investigations Unit will utilize the standard petty cash forms approved by the Finance Department. The forms must be signed by both the employee and supervisor per the City's Financial Control Procedures. As part of the process to replenish the fund, the petty cash forms and supporting documentation will be submitted to the designated Finance Department Financial Analyst for review and approval. Target Date: August 31, 2019

#	Process/Procedure	Observation and Risk	Recommendation	Management Response
3	Agency-owned equipment is inventoried and tracked using a Quarter Master software program. The Fleet and Equipment Supervisor, three Quarter Masters, and Training Academy personnel are responsible for adding, removing, and assigning agency-owned equipment to police employees.	**Observation:** We sampled 20 pieces of equipment from a population of 2,826 agency-owned items. Two of 20 sampled equipment items were not correctly assigned in Quarter Master. • One rifle was assigned to a police Officer in February 2018 but was found to be unassigned (in inventory) in the system. • One Taser was disposed of due to damage. However, the asset still showed as active in an inventory report. While notes in Quarter Master stated the asset was irreparable, the asset was not retired in the system at the date of disposal. Additionally, through discussions with Fleet personnel, it was determined that a regular review of agency-owned equipment does not take place. **Risk:** Improper records related to inventory increases the likelihood of misappropriation of inventory assets or insufficient procurement of inventory.	Conduct periodic reviews of agency-owned equipment in order to reduce the likelihood of errors in the inventory system.	**Captain – Support Services Division** While regular inspection of officer equipment is done by their supervisors, the Fleet and Equipment Supervisor will implement an annual review of the assignments of department owned equipment during the annual changeover in January. Target date: March 31, 2019

#	Process/Procedure	Observation and Risk	Recommendation	Management Response
4	RubinBrown reviewed logical user access list for the following software used within the police department: • Niche: the primary day-to-day system used by the police to manage police reports, evidence, and criminal investigations. • Quarter Master: the system used to track agency-owned equipment such as firearms, tools, and police vehicles. • Administrative Investigative Management System (AIM): the system used to monitor employee performance and internal investigations.	**Observation:** Our tests of logical user access concluded: • Two of 460 active accounts in Niche belongs to former employees who were terminated 12 months ago and 10 months ago, respectively • One of 12 active accounts in Quarter Master belongs to a former employee who transferred to another City department two months ago • Sixty-five active accounts in AIM were for active and authorized employees. Management determined through review of user history logs the former employees did not access the programs after their termination. **Risk:** User accounts that remain active after someone has left the department are vulnerable to be accessed inappropriately if not shut-off after the termination of an employee in a timely manner.	Create a policy that establishes a deadline for when program access must be revoked for terminated employees. The current policy (SOG 308.1 Section 2.1.2) to review the user list for the records management systems annually should serve as a secondary detective control. Research each system's capabilities to determine whether the system can automatically disable accounts that are inactive after a certain number of days.	**Major – Uniform Operations Bureau** A provision to immediately revoke Niche access upon termination of employment will be added to the current policy. An internal exit checklist will be created and implemented to facilitate this change in procedure. The active accounts assigned to former employees noted during the audit were disabled while the auditors were on site. Target date: August 31, 2019

We noted the following process improvement opportunities during our review. While these observations do not constitute internal control weaknesses, they could help strengthen the overall internal control environment or improve the efficiency of a business process. We recommend management consider each observation and take action where appropriate.

#	Observation	Process Improvement	Management Response
1	While testing a sample of agency-owned equipment, we noted that some items marked in inventory within Quarter Master are assigned to non-specific areas such as "shelf", which does not state the building or room where the equipment is located.	Develop a complete list of locations where agency-owned equipment is held and update Quarter Master to allow users to assign equipment to one of those locations. Train each user of Quarter Master to assign in-stock inventory to a specific location. Continue to update Quarter Master on an on-going basis and in conjunction with the periodic audits recommended in #3 above so that each "in-stock" item in inventory is assigned to a location.	**Captain – Support Services Division** This improvement will be implemented by the Fleet and Equipment Supervisor.
2	When the petty cash funds need to be replenished, the Finance Department creates a check payable to the petty cash custodian after the required reconciliation paperwork is submitted. The petty cash custodian then cashes the check at the City's depository bank and places the cash in the cash box.	Instead of writing a check in the petty cash custodian's name, consider having the petty cash custodian obtain the replenishment funds directly from the City Cashier using the same reconciliation paperwork and approvals currently in place.	**Director of Finance** The City Cashier does not maintain a cash balance sufficient to replenish petty cash funds. The Finance Department has internal control procedures in place to monitor petty cash funds throughout the year and to perform unannounced audits of each petty cash fund at least annually. The controls in place help mitigate the risk associated with this observation.

#	Observation	Process Improvement	Management Response
3	The Springfield Police Department uses a storage warehouse as an over-flow location to store evidence from the Property Room. No firearms, drugs, or cash are stored at the warehouse. The warehouse has no windows.	Because the warehouse does not have windows, employees working inside are not able to view the exterior of the building from the inside. In order to improve the safety of employees exiting the building, a means of viewing outside the building before exiting should be installed.	**Captain – Support Services Division** A means of viewing outside the building prior to exiting will be installed.
4	The Springfield Police Department provides in-house training to its sworn police officers that meets standards set by the Missouri Peace Officer Standards and Trainings (POST). Additionally, the department allows employees to attend external trainings provided they complete a hard-copy training request form and an intra-departmental communication (IDC) that is reviewed and approved by up to four individuals in the chain-of-command up to the Captain (and the Chief of Police if out-of-town travel is required).	Consider automating the training request form and approval work flow in order to make the external training request process more efficient. Research the feasibility of using existing software such as AIM or Power DMS for this task. For example, an employee may send a training request to an administrative assistant who enters the request in AIM to be digitally approved within the program. Evaluate the chain-of-command with respect to external training requests to determine the appropriate level(s) of approvals necessary.	**Captain – Support Services Division** The SPD is in the process of implementing Power DMS for document management and will research the possibility of using the software to submit, review, and approve training requests.

#	Observation	Process Improvement	Management Response
5	One of the requirements of CALEA accreditation is that policies are reviewed on at least an annual basis. Changes to policies are documented on a Policy Change Order Form, which contains a detailed markup of all changes, including grammatical changes, which ultimately go up the chain-of-command for approval. Once approved, the Policy Corporal updates the policy with footnotes describing all changes to the policy, including minor grammatical changes such as capitalization or punctuation. We noted policies with as many as 60 different footnotes describing the changes.	Consider discontinuing the procedure of disclosing grammatical changes in the footnotes to the policy because such changes are already documented in the Policy Change Order Form. However, revisions that change the spirit or meaning of the policy should continue to be disclosed in the footnotes. This practice will reduce the number of footnotes over time and reduce the administrative output required to track minor changes. This practice can be modified as the department works to automate their policy change and/or policy acknowledgement processes with Power DMS in the near future.	**Captain – Support Services Division** The Policy Corporal has implemented this improvement within the current quarterly policy review process.