

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1907	<b>Police Special Revenues</b>		Issued: 1/16/2020	
1A	The City Manager should determine if the department's RICO community grant program should continue. If it does, the department should ensure appropriate grant application, review and award processes, grant agreements and service monitoring occur. Additionally, the department should ensure all travel is job-related and has a clear benefit to the City.	May 2020: The department reported that RICO community grant funding is not available for FY 2020/21. As funds come available, processes to include application, grant agreements and monitoring will be reinstated. The department also stated that travel requests are routed through the chain of command. Jan 2021: Auditors reviewed the advance travel and training request forms to verify chain-of-command approvals prior to the budget manager's approval of the post travel expenses.	Implemented	<input checked="" type="checkbox"/>
1B	The department should ensure the City Manager and/or Budget staff receive the total available RICO balance information, with updates throughout the budgeting process.	May 2020: The department provided a copy of the report submitted to the City Manager in January 2020. Auditors verified that the applicable accounts were included.	Implemented	<input checked="" type="checkbox"/>
1C	The department should request buy funds as needed and determine an appropriate balance for the Special Enforcement checking account.	May 2020: The department revised its applicable policy in January 2020 to state a maximum authorized balance for the account. Auditors verified the February 2020 account balance was within this limit.	Implemented	<input checked="" type="checkbox"/>
1D	The department should ensure separation of duties by directing receivables to the City's Remittance Processing group and enable an effective supervisory review of the asset forfeiture program by routing the bank statements to the unit Commander.	May 2020: The department reported that reimbursement checks have been redirected to Remittance Processing, and the Commander now also receives copies of the bank statements for review. Auditors will review supporting documentation for a future update. Sept 2020: Auditors reviewed the July 2020 RICO reimbursement request and confirmed the Remittance Processing address is listed for payment.	Implemented	<input checked="" type="checkbox"/>
1E	The department should require staff to change the safe combination after Special Investigative unit personnel or supervisory changes.	May 2020: The department reported that its policy has been updated as of January 2020 to include the process of changing the safe combination after personnel or supervisory changes. Auditors will review the policy for a future update. Jan 2021: Auditors reviewed a copy of the operation order and an email confirming one safe combination change.	Implemented	<input checked="" type="checkbox"/>

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2A	<p>Police Department management should establish the Scottsdale Police Cadet program as a separate program in the Special Programs Fund and deposit the account moneys into the City treasury to ensure appropriate oversight, transparency and accountability. In addition, Police Department management should ensure this program is budgeted as part of the City's annual budget process.</p>	<p>May 2020: The department reported that a separate Special Programs Fund center will be set up to record program related activity. Once the program competition fee has been Council approved, funds will be moved from the outside account and deposited into the new center. This is expected to occur in July 2020. Sept 2020: The City Treasurer's Office has not yet created a center for the Cadet program. As well, monies continue to be held in an account outside the City treasury and the program fees and budget have not yet been required as part of the City's budget processes. Jan 2021: Auditors reviewed the new Cadet program center that has been established and confirmed the bank account balance was transferred to the City on December 29, 2020. As well, the department obtained Council approval to establish its program competition fees.</p>	Implemented	<input checked="" type="checkbox"/>
2B	<p>Police Department management should establish strong cash handling and expenditure controls over the program and ensure compliance with applicable City administrative regulations. Further, retain appropriate receipt and expenditure records for the program.</p>	<p>May 2020: The department reported that cash handling and expenditure controls were strengthened by adding a two-person verification and approval. As well, the cash box has been secured, and a sergeant reviews and signs the bank statements monthly. Auditors will review documentation for a future update. Jan 2021: Due to the pandemic, the 2020 competition was delayed. As of December 29, 2020, the bank account has been closed and moneys deposited in the City treasury. The program will now be following the City's policies and procedures for cash handling, expenditures, and records retention.</p>	Implemented	<input checked="" type="checkbox"/>
3A	<p>Police Department management should consider developing transparent, public procedures for donations and make information available to Scottsdale citizens, organizations and other current and potential donors.</p>	<p>May 2020: The department reported that a policy memo now directs donations to be made to the department's Budget Office. For a future update, auditors will confirm whether the memorandum has been signed and distributed. Sept 2020: Auditors reviewed the email distributing the policy memo to all department staff.</p>	Implemented	<input checked="" type="checkbox"/>

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3B	<p>Police Department management should ensure that acknowledgment letters are prepared, signed and provided to donors for all donations received. Copies of the signed acknowledgment letter (donation receipt) should be maintained in accordance with the City's records retention schedule. In addition, require donations be centrally managed through the Police Budget office.</p>	<p>May 2020: The department reported that its policy is now to centralize donations through the department's Budget Office and to retain a signed copy of the acknowledgment letters in accordance with the City's records retention schedule. Auditors will review supporting documentation for a future update. Sept 2020: Auditors reviewed copies of signed donation acknowledgement letters dated from March 16 through August 12, 2020.</p>	Implemented	<input checked="" type="checkbox"/>
3C	<p>Police Department management should require Police Department staff to either redact sensitive information contained on checks maintained in paper or electronic files or refrain from retaining check copies.</p>	<p>May 2020: The department reported that its processes now include ensuring sensitive information is redacted prior to placing copies in files. Auditors will review supporting documentation for a future update. Sept 2020: The Budget Manager stated she no longer retains check copies. The account number was redacted from the one check copy retained with the donation acknowledgement letters.</p>	Implemented	<input checked="" type="checkbox"/>
4A	<p>Police Department management should ensure the Police Department 30-Day Tow program complies with AR 268 Cash Handling and implements strong cash handling-related controls, including:</p> <ul style="list-style-type: none"> <li>• Requiring each cash handler to immediately enter his or her own transactions in iNovah.</li> <li>• Limiting use of manual receipts and ensuring the City's copies are retained in the receipt book. Further, ensure manual receipts are used in numerical order and accounted for each day, with a written explanation and supervisory approval for any voided or missing receipts.</li> <li>• Developing site-specific cash handling procedures.</li> <li>• Securing the locking cash drawer key.</li> </ul>	<p>May 2020: The department reported that the program employees have been trained to comply with the cash handling AR. In March 2020, site-specific procedures were developed and added to the program's operations manual. Each employee is entering his/her own transactions and documenting explanations when manual receipts are used out of order. Further, the cash drawer key has been secured. Auditors reviewed the site-specific cash handling procedures and will review cash handling operations for a future update. Sept 2020: During an unannounced check, auditors reviewed the month's transactions, which showed transactions were being entered throughout the day. Each day's transactions showed only one cash handler; with the current pandemic, only one Police Aide works in the office at a time. The manual receipts were secured in the safe and were intact. However, they are not being accounted for daily. The key was secured. Two staff were not notified of their cash handling training refreshers, but will complete the training on the following workday.</p>	Implemented	<input checked="" type="checkbox"/>

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4B	Police Department management should consider alternatives for increasing the 30-Day Tow program's availability for impounded vehicle retrievals.	<p>May 2020: The department reported that, based on evaluation of its current staffing model, increasing availability would require additional staff. However, additional program staffing was not approved in the FY 2020/21 proposed budget. Auditors will review the department's evaluation for a future update. Jan 2021: Auditors reviewed the department's analysis which showed Friday had been one of the busiest service days before changing to a Monday through Thursday schedule. Although the program has continued its 4-day per week schedule, program staff state that a cross-trained staff is available to service walk-in emergencies on Fridays.</p>	Part Impl'd	<input checked="" type="checkbox"/>
4C	Police Department management should require invoices and travel requests to be signed by appropriate operational supervisors prior to approval for payment.	<p>May 2020: The department reported that Budget staff consults with the operational supervisors prior to approving expenses. The date and supervisor providing verification are now being noted on the invoices. Auditors will review supporting documentation for a future update. Sept 2020: For 7 reviewed transactions, auditors noted the operational staff were signing off on the expenses. One transaction signed off by the Budget Manager also noted the operational supervisor providing approval.</p>	Implemented	<input checked="" type="checkbox"/>