



## **POLICE DEPARTMENT**

## **PERFORMANCE AUDIT**

**July 1, 2013 THROUGH JUNE 30, 2014**

**CITY OF CHESAPEAKE, VIRGINIA  
AUDIT SERVICES DEPARTMENT**

August 29, 2014

The Honorable Alan P. Krasnoff and  
Members of the City Council  
City of Chesapeake  
City Hall – 6<sup>th</sup> Floor  
Chesapeake, Virginia 23328

Dear Mayor Krasnoff and Members of the City Council:

We have completed our review of the City of Chesapeake Police Department (Department) for the period July 1, 2013 to June 30, 2014. Our review was conducted for the purpose of determining whether the Department was providing services in an economical, efficient, and effective manner, whether its goals and objectives were being achieved, and whether it was complying with applicable City and departmental policies and procedures related to cash handling, procurement, safety, contractual services and inventory. Other areas included evidence handling and animal control.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Department provided both essential and non-essential services for the City and its' residents. Its' primary services included enforcement of existing laws, testifying in court, responding to citizen concerns, transportation of apprehended individuals, animal services, and the promotion of crime prevention techniques and behaviors.

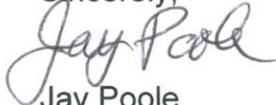
For Fiscal Year (FY) 2013-14, the Department had an operating budget of nearly \$46.4 million. The Department had five precincts strategically located in the City with its administration and command offices located on Albemarle Drive in the Great Bridge section of the City. The Department was also responsible for the Emergency Communication Center (911), Animal Services, and operation of the City's pound.

To conduct this audit, we reviewed and evaluated City and Department policies, procedures, operations documents, and reports, both internal and external. We also conducted extensive site visits to obtain a general understanding of various departmental processes. We discussed these audit areas and conducted interviews with departmental management and various other personnel.

Based on our review, we determined the Department had accomplished its overall mission of providing a variety of services that were critical to the operations of the City. However, we did identify several areas where Departmental procedures could be enhanced. Those areas included monitoring and tracking of evidence, drug handling, occupational health and safety, animal services, and cash, revenue and accounts payable.

This report, in draft, was provided to Department officials for review and response and their comments have been considered in the preparation of this report. These comments have been included in the Managerial Summary, the Audit Report, and Appendix A. The Department concurred with most of the report's recommendations and has either implemented or begun the process of implementing many of them. The Department's management, supervisors, and staff were very helpful throughout the course of this audit. We appreciated their courtesy and cooperation on this assignment.

Sincerely,



Jay Poole  
City Auditor  
City of Chesapeake, Virginia

CC: James E. Baker, City Manager  
Colonel Kelvin L. Wright, Chief of Police

## **Managerial Summary**

### **A. Objectives, Scope, and Methodology**

We have completed our review of the City of Chesapeake Police Department (Department) for the period July 1, 2013 to June 30, 2014. Our review was conducted for the purpose of determining whether the Department was providing services in an economical, efficient, and effective manner, whether its goals and objectives were being achieved, and whether it was complying with applicable City and departmental policies and procedures related to cash handling, procurement, safety, contractual services and inventory. Other areas included evidence handling and animal control.

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## **Major Observations and Conclusions**

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### **B. Performance Information**

The Police Department has grown from its early days when it was just several small local entities to a department in a sprawling city with 353 square miles, over 230,000 people, and environs ranging from airports and industrial sites to swamps. The Department's core mission was "In partnership with the community, promote a safe city through prevention of crime and enforcement of laws." The Department met its operational goals by having 5 Precincts and over 548 well trained and highly qualified police officers, dispatchers, and other professionals. In addition, the Department was responsible for responding to over 123,300 emergency calls during Calendar Year 2012. Further, Chesapeake citizens responding to a citywide services telephone survey conducted by Continental Research Associates, ranked the Police Department services as number two, behind only the Fire Department, in both Importance and customer satisfaction to citizens.

In 2011, the Department began pursuit of accreditation by the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA). CALEA was the only internationally recognized public safety accrediting body. The goals of CALEA were to:

- Strengthen crime prevention and control capabilities;
- Formalize essential management procedures;
- Establish fair and nondiscriminatory personnel practices;
- Improve service delivery;
- Solidify interagency cooperation and coordination; and
- Increase community and staff confidence in the agency.

The accreditation was formalized during the CALEA annual conference in July 2014. At that time, the Department received a three year letter of accreditation. The Department became only the second South Hampton Roads police force accredited through CALEA (several others had have started the process). After three years, the Department must submit to another on-site assessment.

### **C. Property and Evidence Unit**

Our review of the Department's Property and Evidence (P/E) unit identified a number of issues and control deficiencies that had not been addressed as well as practices that could be enhanced. These issues included the reporting structure for the Property and Evidence and Drug Evidence Management Units, data Integrity, Deposit processing, and access controls.

#### **1. Reporting Structure**

**Finding** – The Property and Evidence and Drug Evidence Management Units reported to the Criminal Investigative Division, which could be perceived as a possible conflict of interest.

**Recommendation** – The Department should consider revising the reporting structure for Property and Evidence and the Drug Evidence Management Units.

**Response - An organizational restructuring has taken place and the Property and Evidence Unit is now separate from patrol and investigation functions \*(See Department Organization Chart dated May 01, 2014).**

**With respect to the Drug Evidence Management Unit not having any job responsibilities related to the investigation functions, that recommendation is being reviewed further for possible implementation.**

#### **2. Data Integrity**

**Finding** – The integrity of the data maintained in the Tiburon automated property management system was unreliable. In addition, techniques for performing inventory audits could be enhanced.

**Recommendation** – The Department should take steps to correct the inaccuracies in system data. In addition, we suggest that the audits for cash, guns and drugs be performed on a quarterly basis.

**Response - Some data inaccuracies are the result of the Tiburon software. The Tiburon software has not performed as advertised by the manufacturer and has proven to be both cumbersome to use and inadequate in generating reports.**

However, quarterly inspections are being conducted to verify the presence of evidence; specifically, cash, drugs and weapons.

### **3. Deposit Processing**

**Finding** – The P/E unit had deficiencies in its deposit process that could be improved. In addition, Standard Operating Procedure (SOP) 11.7.6, Cash Handling and Deposit Procedures could be updated to include bank deposit verification.

**Recommendation** – The deposit process should be improved, and the SOP for Cash Handling and Deposit procedures updated to include deposit preparation.

**Response** - The Property and Evidence Unit's Standard Operating Procedure (SOP) which pertains to Cash Handling and Deposit Procedures has been updated to implement the recommendations described above.

### **4. Access Controls**

**Finding** – The access controls and security within the P/E Unit facility could be enhanced to ensure proper safeguarding of assets.

**Recommendation** – Access controls and security should be improved in the P/E facility to ensure employee safety and the safeguarding of P/E assets.

**Response** - This facility has security features that prevent access by those who do not have the proper credentials. However, the security system and accompanying video surveillance is being upgraded.

## **D. Drug Evidence Management Unit**

Our review of the Police Department's Drug Evidence Management Unit identified a need for proper segregation of duties. Also, drugs that were ready for destruction were not being weighed.

### **1. Segregation of Duties**

**Finding** – Segregation of duties in the Drug Evidence Management Unit was not adequate.

**Recommendation** – The Department should establish adequate segregation of duties in the Drug Evidence Management Unit.

**Response - With respect to the segregation of duties in the Drug Evidence Management Unit the recommendation is being reviewed further for possible implementation. With respect to personnel being cross-trained so that there is adequate backup in the event of an emergency, that recommendation has already been implemented with the addition of adding a second detective to the Drug Evidence Management Unit.**

## **2. Drug Destruction**

**Finding –** The drug destruction process did not include the weighing of drugs prior to destruction.

**Recommendation –** All drugs should be weighed before they are destroyed.

**Response - A Standard Operating Procedure (SOP) is being finalized to address the weighing of drugs prior to destruction.**

## **E. Occupational Health and Safety**

The Police Department's had a number of occupational health and safety issues and practices that could be enhanced. These issues included the Department's Voluntary Wellness Program, accidents, workers compensation drug testing and safety.

### **1. Voluntary Wellness Program**

**Finding –** There was no requirement that sworn officers maintain a certain level of fitness, and the Department had not sufficiently incentivized sworn officers to participate in its Voluntary Wellness Program.

**Recommendation –** The Department should reestablish and implement a fitness and wellness program for sworn officers and encourage all officers to participate in the program. In addition, the City should develop an Administrative Regulation that authorizes the use of incentives to encourage employees to actively participate in a wellness program.

**Response - The Police Department supports the reestablishment and implementation of a fitness and wellness program for sworn officers and the encouragement all officers to participate in the program.**

### **2. Workers Compensation Costs**

**Finding –** The Police Department's injury-related workers compensation costs were a significant portion of the City's overall worker's compensation claims. At least some of these claims appeared to be related to physical activity.

**Recommendation** – The Police Department should reinstate their incentive program and consider developing additional policies to help mitigate their injury related workers compensation costs.

**Response** - The Police Department supports the reestablishment and implementation of a fitness and wellness program for sworn officers and the encouragement all officers to participate in the program. Moreover, officer safety can be enhanced through a wellness and fitness program. The City’s Department of Human Resources is currently exploring an employee wellness program.

### **3. Police Vehicle Accidents**

**Finding** – The number of Police vehicle accidents increased from 2011 to 2013, resulting in a corresponding increase in repair costs.

**Recommendation** – The Department should evaluate its the accident review and training process with an eye towards making improvements that reverse the trend of increasing accidents and costs.

**Response** - The Police Department has instituted a monthly review process of all accidents by the Bureau and Section Commanders. The compilation of data and analysis of causes now takes place on a monthly basis. Police personnel who are found to be “at fault” in motor vehicle accidents are disciplined based upon the severity of the incident and the frequency of these events based upon their personnel records. Discipline may also include remedial training. Additionally, police personnel driving records are reviewed annually.

### **4. Substance Abuse Policy**

**Finding** – The City’s Substance Abuse Policy, Administrative Regulation (AR) 2.44, did not require police officers who were involved in an accident with a City vehicle to take a drug and alcohol test.

**Recommendation** – The Police Department should collaborate with Risk Management to update the Substance Abuse Policy so that police officers are require to take a drug and alcohol test when accidents occur with a City vehicle.

**Response** - The Police Department is currently working with the City’s Risk Manager, Jeff Rodarmel, in developing recommended changes to the City’s Substance Abuse Policy to address the issue of drug and alcohol testing.

### **5. Safety**

**Finding** – The Police Department did not comply with safety requirements related to eyewash stations.

**Recommendation** – The Department should take steps to ensure that it complies with safety requirements related to eyewash stations.

**Response:** The Police Department has instituted an inspection requirement for the eyewash stations within its buildings to ensure that they are fully compliant.

## **F. Animal Control:**

In reviewing the Department's Animal Control Unit, we identified several areas where procedures could be enhanced. These areas included quality of data on the Visibility automated system, physical security, physical condition of the facility, and caretaker staffing levels.

### **1. Quality Control**

**Finding** – Chesapeake's Animal Services (CAS) did not have an effective quality control program for its animal shelter software data.

**Recommendation** – CAS should develop a quality control program that includes a daily reconciliation routine for daily transactions and a frequently scheduled review of the accuracy of data entered into Visibility.

**Response -** The Police Department concurs with the recommendation and is currently working on the development of an improved quality control program which includes the acquisition of improved computer software.

### **2. Physical Security**

**Finding** – Physical security at CAS could be enhanced.

**Recommendation** – The Department should consider enhancing physical security at the CAS facility

**Response** – (The Police Department either concurred with or has already begun implementing most of the recommendations in this area, with one exception. The full text of their responses is include in the body of the audit report).

### **3. Building Deficiencies**

**Finding** – The Chesapeake's Animal Services (CAS) shelter building had several construction-related physical deficiencies.

**Recommendation** – The Department should continue to work with Public Works to remediate any outstanding construction deficiencies.

**Response:** The City intends to complete the Animal Services Facility using funds from retainage on the terminated construction contract, any recovery from counterclaims filed against the terminated contractor who initiated lawsuits, and/or claims made of the contractor's surety pursuant to the performance and defect bond. A meeting with representatives from the surety company is scheduled later this week.

#### **4. Animal Caretakers**

**Finding** – Chesapeake Animal Services unit did not have sufficient number of animal caretakers.

**Recommendation** – The Police Department should analyze animal volume rates, average daily animal population, caretaker training time, and any other factors to provide evidence for increased caretaker staffing in future budget negotiations.

**Response** - The Police Department is currently in the process of analyzing animal volume rates, average daily animal population, caretaker training time, and other factors to provide information for increased caretaker staffing in future budget submissions.

### **G. Cash, Revenue, and Accounts Payable Issues**

We identified several potential internal control enhancements related to the Department's financial activities. These enhancements were related to the cash handling, deferred revenues, Non-PO vouchers, and vendor invoices.

#### **1. Cash Handling and Settlement Processing**

**Finding** – The Department's cash handling and settlement processes could be improved, and controls and safeguards over cash could be enhanced.

**Recommendation** – The Department should develop and document cash handling and cash settlement process policies and procedures so that cash is adequately safeguarded. In addition, the Department should develop an ongoing monitoring process to ensure adherence to cash handling and cash control procedures.

**Response:** The Police Department currently has a department-wide Cash Handling Guideline Standard Operating Procedures for each Unit that handles cash. These documents will be reviewed and updated to reflect changes made to improve internal control processes, to include a daily cash settlement procedure as required for each unit. (Note: The full text of the Police Department response is included in the body of the audit report.)

## **2. Deferred Revenue Account**

**Finding** – The Deferred Revenue general ledger (G/L) account (# 1222204000) had a net out of balance condition in the amount of \$128,807.49. In addition, the G/L account was not being reconciled each month and documentation was not being forwarded to the City’s Finance Department each quarter as required. Also, funds for unclaimed assets and drug-related seized assets were being intermingled.

**Recommendation** – The Deferred Revenue subsidiary record should be reconciled to the General Ledger (G/L) Deferred Revenue account each month and that quarterly reconciliations and supporting documentation be forwarded to the Finance Department. In addition, funds for unclaimed assets and seized asset should be processed into separate G/L accounts.

### **Response: Recommendations Implemented:**

- **The Deferred revenue subsidiary record is reconciled to the General Ledger monthly and a report is provided to Finance.**
- **New subsidiary and GL accounts have been established and are being used effective 6/1/14. 1222700007: OCL-Police unclaimed, collections that are not drug related, found monies, etc. COID: 40560, subsidiary – Unclaimed Transactions. 1222700008: OCL-Seized Assets – drug related seizures COID: 40561, subsidiary – Seized Asset Transactions.**
- **Reconciliation is underway for the deferred revenue account. Reconciliation of the subsidiary account to the GL has been completed. A list of open seized cases has been reconciled between the subsidiary record and Vice and Narcotics. The non-drug cases are still under review as well as a list of cases that may be considered “seized”. When the reconciliation is completed the list of individual cases will be reconciled to the GL monthly balance.**

## **3. Use of Non-Purchase Order Vouchers**

**Finding** – The Police Department used non-purchase order vouchers to process multiple similar and frequent purchases.

**Recommendation** – The Department should take steps to ensure that it complies with applicable requirements for the vendors with City contracts

**Response** – (The Police Department generally concurred with the recommendations, with some additional explanations. The full text of their response is included in the body of the audit report.)

#### **4. Use of Vendor Invoice Numbers**

**Finding** – The Police Department submitted accounts payable invoices with locally generated invoice numbers.

**Recommendation** – The Police Department should discontinue the practice of creating locally generated invoice numbers.

**Response** - A summary invoice is used to save time in processing invoices. A summary invoice may include payment for up to 20 individual invoices, greatly reducing the number of entries. Care is taken to prevent duplicate payments to each vendor; however, this method is not as reliable as entering unique invoice numbers for each vendor. \*\* (See attached memo dated July 16, 2014 from Bob Knowles, Accounts Payable Manager).

POLICE DEPARTMENT  
PERFORMANCE AUDIT  
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## **A. Objectives, Scope, and Methodology**

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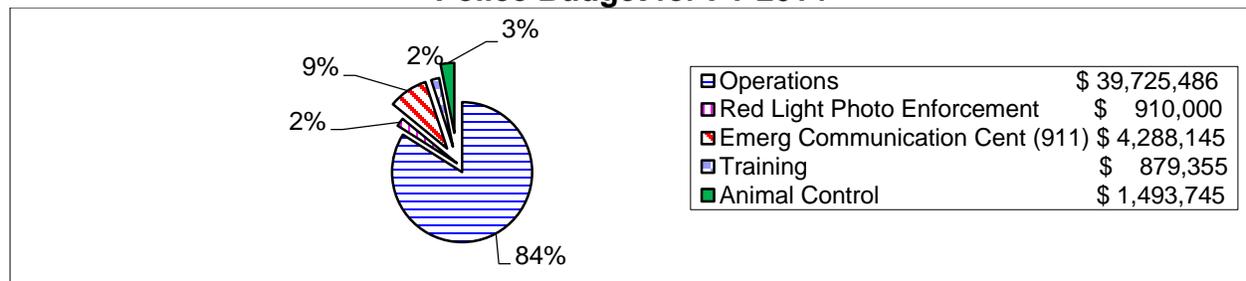
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**Exhibit #1  
Police Budget for FY 2014**



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## **Methodology**

To conduct this audit, we reviewed the Department's policies, procedures, and practices. This review included testing and evaluation of the evidence storage, testing of Animal Services processes, and analysis of system software usage. Also, purchasing procedures were tested to ensure compliance with Administrative Regulations and City Code.

In addition to these items, we gathered information on several functions within the Department related to performance indicators such as guidelines and procedures, performance goals, performance measurements, internal controls to monitor the status of program goals, records maintained, and other areas of concern. We conducted site visits of the Police Academy, Animal Services, 911, and various administrative areas including forensics and evidence.

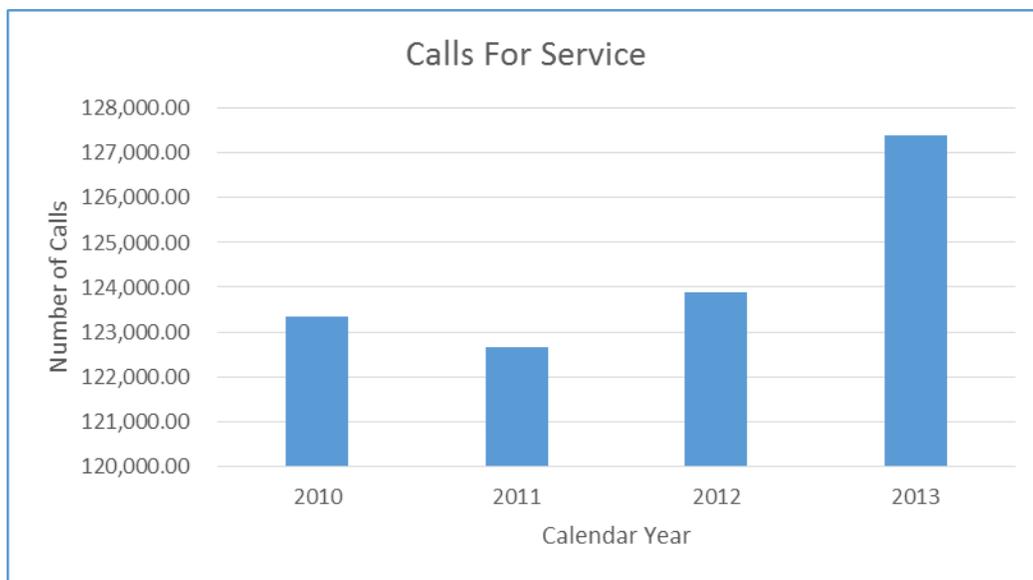
We discussed this audit with various Department staff at all levels including administrative personnel, supervisors, and the professional standards manager. We also talked with the Police Chief, Deputy Chief, several majors and sergeants, as well as academy training officers and supplies staff to obtain an understanding of overall operations and details on specific areas of research.

## **B. Performance Information**

The Police Department has grown from its early days when it was just several small local entities to a department in a sprawling city with 353 square miles, over 230,000 people, and environs ranging from airports and industrial sites to swamps. The Department's core mission was "In partnership with the community, promote a safe city through prevention of crime and enforcement of laws." The Department met its operational goals by having 5 Precincts and over 548 well trained and highly qualified police officers, dispatchers, and other professionals. In addition, the Department was responsible for responding to over 123,300 emergency calls during Calendar Year 2012. Further, Chesapeake citizens responding to a citywide services telephone survey conducted by Continental Research Associates, ranked the Police Department services as number two, behind only the Fire Department, in both Importance and customer satisfaction to citizens.

### **1. Calls For Service**

**Exhibit #2  
Calls for Service**



From Calendar Year (CY) 2010 to CY 2013, the Department averaged just over 124,300 calls for service a year. Call volume grew from 123,352 in CY 2010 to 127,403 in CY 2013, a 3.28% growth increase. However, CY 2013 calls increased by 3,519 over CY 2012, or 2.8%.

From CY 2011 to CY 2013, the Department reported a drop in City-Wide part 1 Crime Totals from 8,412, in 2011, to 7,017 in 2013. The difference of 1,395 represented a 16.58% drop. Part 1 Crime included homicide, rape, robbery, and auto theft. Part 1 crimes were committed on average every 1 hour and 13 minutes.

Total traffic violations declined from CY 2010 to CY 2013 with 39,690 violations in 2010 and 34,829 in 2013. At the same time, DUI arrests increased from 827 in CY 2010 to 1,081 in CY 2013, a 30.7% increase. However, this represented a decline of 12.2% from 2012, which had 1,231 arrests.

The response time on calls for service increased from 8:15 minutes in 2011 to 8:32 in 2013 for Priority 2 calls. For Priority 1 calls, the response time increased from 7:58 minutes in 2011 to 8:08 minutes in 2013.

## **2. Organization**

The Department was organized into three bureaus: Investigations, Patrol Operations, and Support.

- The Investigations Bureau included the Criminal Investigations Section, the Vice and Narcotics Section, the Criminal Intelligence Unit, and the Forensics Unit.
- The Patrol Operations Bureau included all five Police Precincts, the Special Operations Section, the Crime Prevention Unit, the Police Chaplain Unit, the Special Weapons and Tactics Team (SWAT), the Underwater Search and Recovery Team, the Marine Patrol Unit, the Traffic Enforcement Unit, the K-9 Unit, the Warrant Unit, the Auxiliary Police Unit, the Animal Services Unit, the Community Resources Unit and the Police Explorers.
- The Support Bureau included the Records Management Unit, the Emergency Dispatch Center, the Professional Standards Section, and the Law Enforcement Training Academy.

## **3. Precincts**

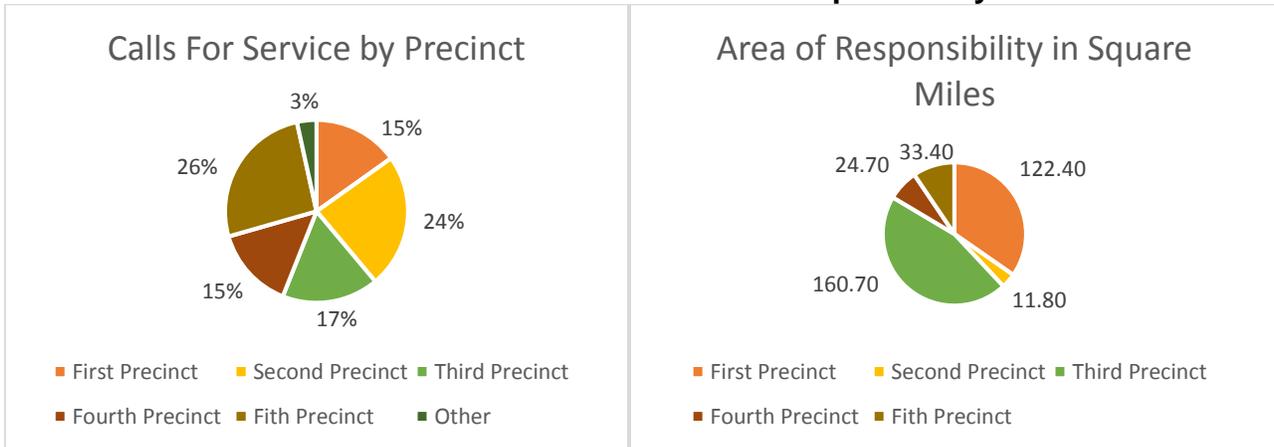
There were 5 precincts to cover the City's 353 square miles. These precincts were strategically located throughout the City to provide quick and responsive service.

- The First Precinct was located in the Great Bridge area and also served as Police Headquarters. This precinct was responsible for patrolling 122.4 miles of the City (34.7%). This area was mainly rural to suburban in nature. In 2013, the First Precinct handled 19,294 calls for service, or approximately 15% of the citywide total.
- The Second Precinct was located in the South Norfolk area. This precinct was responsible for patrolling 11.8 miles of the City (3.3%). This area was mainly urban to suburban in nature. In 2013, the Second Precinct handled 30,263 calls for service, or approximately 24% of the citywide total.
- The Third Precinct was located in the Deep Creek area. This precinct was responsible for patrolling 160.7 miles of the City (45.5%). This area was mainly suburban to rural, with a large portion of swampland. In 2013, the Third Precinct handled 21,804 crimes, or approximately 17% of the citywide total.
- The Fourth Precinct was located in the Western Branch area. This precinct was responsible for patrolling 24.7 miles of the City (7.0%). This area was mainly

suburban to rural. In 2013, the Fourth Precinct handled 18,546 crimes, or approximately 15% of the citywide total.

- The Fifth Precinct was located in the Greenbrier area. This precinct was responsible for patrolling 33.4 miles of the City (9.5%). This area was mainly suburban and retail. In 2013, the Fifth Precinct handled 33,110 crimes, or approximately 26% of the citywide total.

**Exhibit #3  
Calls for Service and Areas of Responsibility**



**4. Chesapeake Animal Services**

Chesapeake Animal Services (CAS) opened a LEEDS (Leadership in Energy and Environmental Design) certified facility as the City’s pound on December 21, 2012. The previous pound, located in an industrial complex area off Cook Blvd, had 182 cages and pens, several of which could not hold animals due to deterioration. The new pound, located off heavily-traveled Military Highway, provided greater public visibility and awareness, and contained 288 cages and pens.

The new pound also had rooms for bathing, medical care, euthanasia, sterilizing of food and water bowls, washing and drying of linen and bedding, and visitation, as well as administrative areas for animal control officers and K-9 handlers. The pound design allowed separation by species and by age, and also allowed for segregation of animals prior to placement in the public area.

The pound’s purpose was to provide a place for impounding or harboring seized, stray, homeless, abandoned, or unwanted animals. The pound also provided a location for adoptions and the recovery of lost animals. Pounds were inspected by the State Veterinarian during announced and unannounced visits. These inspections carried a possible penalty of \$1,000 per day of each serious violation. (The City had not been subjected to any fines as of the time of our audit).

CAS staffing included:

- Shelter Attendants (caretakers) whose responsibilities included the cleaning, feeding, and watering of each animal and cage; cleaning and keeping clear all animal areas; laundry; temperament observation and evaluation; adoption visitation facilitation; dispensing medication as prescribed; assisting with recovery of lost pets; humanely euthanizing animals; exercising the animals; and pre-adoption vaccination and testing.
- Office Assistants whose responsibilities included processing bills for payment; documenting and handling funds received for adoption, redemptions of lost and seized pets, donations, animal traps, and licenses; recording entries to the official animal history; maintaining the official animal history and filing any paper record; responding to visitors and callers and providing quality customer service; receiving animals surrendered by residents of the City; assisting with fostering of animals; receiving and documenting lost and found pet reports; receiving and documenting all animal exposure reports; assisting with adoptions and redemptions; and maintaining statistics.
- Animal Control Officers (ACO) whose responsibilities included enforcement of statutes and ordinances for the control and protection of domestic animals; taking appropriate proactive measures to protect the public from dangerous animals and protecting animals from abuse; responding to complaints or calls for service from citizens regarding potential violations of animal care and control statutes, ordinances, and regulations;

CAS worked with the City's Animal Services Advisory Board. The Advisory Board included citizens and a licensed veterinarian and acted in an advisory capacity to the City Manager and City Council in all matters relating to animal care and control activities, as well as acting as a liaison between the City Council and the Chesapeake Humane Society (CHS). CHS was a private nonprofit animal services organization. Services provided included low cost sterilization of dogs and cats adopted from the pound, off-site adoptions, volunteering at CAS, and fund-raising.

CAS provided the following annualized population reports to the Virginia Department of Agriculture and Consumer Services:

**Exhibit #4  
Animal Populations and Disposition**

<b>2012</b>	on hand 1/1	Stray	Seized	bite cases	surrender ed by owner	other	<b>TOTAL</b>	reclaimed by owner	Adopted	transfers	died	Euthanasia	misc	on hand 12/31	<b>TOTAL</b>	redemption adoption xfer
cats	30	1,343	2	26	330	22	<b>1,753</b>	50	192	56	43	1,349	1	62	<b>1,753</b>	17.0%
dogs	33	1,239	35	35	485	41	<b>1,868</b>	698	383	130	4	604	1	48	<b>1,868</b>	64.8%
equine	0	0	2	0	0	0	<b>2</b>	2	0	0	0	0	0	0	<b>2</b>	100%
hybrid canines	0	0	0	0	0	0	<b>0</b>	0	0	0	0	0	0	0	<b>0</b>	
livestock	1	4	0	0	1	0	<b>6</b>	1	4	0	1	0	0	0	<b>6</b>	83.3%
other	6	21	1	0	52	4	<b>84</b>	5	46	4	2	21	1	5	<b>84</b>	65.5%
poultry	0	10	0	0	1	0	<b>11</b>	0	10	0	1	0	0	0	<b>11</b>	90.9%
<b>TOTAL</b>	<b>70</b>	<b>2,617</b>	<b>40</b>	<b>61</b>	<b>869</b>	<b>67</b>	<b>3,724</b>	<b>756</b>	<b>635</b>	<b>190</b>	<b>51</b>	<b>1,974</b>	<b>3</b>	<b>115</b>	<b>3,724</b>	42.5%
<b>2013</b>	on hand 1/1	Stray	Seized	bite cases	surrender ed by owner	Other	<b>TOTAL</b>	reclaimed by owner	Adopted	transfers	died	Euthanasia	Misc	on hand 12/31	<b>TOTAL</b>	redemption adoption transfers
cats	62	1,443	14	89	408	50	<b>2,066</b>	69	333	113	8	1,472	0	71	<b>2,066</b>	24.9%
dogs	48	1,205	21	32	533	18	<b>1,857</b>	683	484	89	6	549	0	46	<b>1,857</b>	67.6%
equine	0	0	0	0	0	0	<b>0</b>	0	0	0	0	0	0	0	<b>0</b>	
hybrid canines	0	0	0	0	0	0	<b>0</b>	0	0	0	0	0	0	0	<b>0</b>	
livestock	0	3	0	0	0	0	<b>3</b>	1	1	0	0	1	0	0	<b>3</b>	66.7%
other	5	34	3	0	62	0	<b>104</b>	2	73	1	2	20	0	6	<b>104</b>	73.1%
poultry	0	25	0	0	11	0	<b>36</b>	1	27	0	0	7	0	1	<b>36</b>	77.8%
<b>TOTAL</b>	<b>115</b>	<b>2,710</b>	<b>38</b>	<b>121</b>	<b>1,014</b>	<b>68</b>	<b>4,066</b>	<b>756</b>	<b>918</b>	<b>203</b>	<b>16</b>	<b>2,049</b>	<b>0</b>	<b>124</b>	<b>4,066</b>	46.2%

As a Full Admission shelter, CAS attempted to maximize the length of stay of animals through the use of fostering, transfers to breed rescues, transfers to other pounds, and transfers to animal shelters. Although there were 313 more cats brought to the pound from 2012 to 2013 (a 17.9% increase), there was a 73.4% increase in cat adoptions, and the number of transfers doubled from 56 to 113. The fostering and transfer programs, combined with the higher number of cages available in the new facility, resulted in a decrease in the percentage of cats euthanized from 77.0% (1,349 of 1,753) in 2012 to 71.2% (1,472 of 2,066) in 2013. Additionally, there was a decrease in the percentage of dogs euthanized from 32.3% (604 of 1,868) to 29.6% (549 of 1,857) and an increase in the percentage of dogs adopted from 20.5 % (383 of 1868) to 26.1% (484 of 1857).

## **5. Community Resource Unit**

The Community Resource Unit (CRU) specialized in problem solving in neighborhoods where normal patrol response was sometimes restrained by the volume of calls for service or the length of time needed to resolve chronic problems. The mission of the Community Resource Unit was to maximize the impact of limited resources by directing enforcement efforts to preselected times and places and toward specific types of crimes and conditions within the city.

The criteria for establishing assignments for the CRU Unit was based upon intelligence information gathered from various sources including:

- Police Department's Crime Analysis Unit
- Beat Officers
- Citizens
- Other City Agencies

Selected information was analyzed to determine the need for action to address particular conditions at specific locations. Emphasis was placed on:

- Identifying specific locations and persons who accounted for a disproportionate amount of police attention, either by repeat calls for service or by acts of crime and disorder
- Problem solving to address problem businesses, problem people, interrupting the open air drug trade, and other emerging problems

Strategies employed included:

- Increasing directed patrols in the areas identified as "hot spots"
- Conducting proactive field interviews and investigations
- Engaging in proactive traffic enforcement

Personnel assigned to this Unit were highly flexible and willing to change their schedules as needed to accomplish their assignments. They had to assemble ad hoc teams to deal with crime patterns as they arose.

## **6. Red Light Cameras (Photo Enforcement)**

In August 2010, the Department activated the first camera in its red light photo enforcement program named **PHOTOSafe**. The primary focus of the **PHOTOSafe** program was public awareness and education.

The goal was to foster compliance with traffic signals which would contribute significantly to public safety in Chesapeake. The cameras allowed a policing presence at specific intersections around the clock. They also reduced the risks involved in red light violation enforcement at large intersections. The success of the program was to be measured in the reduction of red light running and not by the number of vehicles caught violating the law.

One of the keys for success was in publicizing the locations of the intersections that had cameras installed. Signs and publicity campaigns required by the General Assembly warned motorists that photo enforcement was in use. This knowledge, combined with the assurance that running a red light would result in a civil penalty, would help to change driver behavior.

Independent audits of red light programs across the country have found that, generally, these programs did not bring in excess revenue. However, red light cameras had been shown to reduce crashes at monitored intersections by approximately 40%. The technology produces a general change in driver behavior not just at the monitored intersections but throughout the area, thus reducing crashes citywide.

The City was authorized to monitor a total of 21 intersections by Virginia State Code (the guideline was one intersection per 10,000 residents). City Council had approved the use of 20 red light systems. The factors considered when selecting an intersection to install a red light camera were as follows:

- a. the accident rate for the intersection
- b. the rate of red light violations occurring at the intersection
- c. the difficulty experienced by law enforcement officers in patrol cars or on foot in apprehending violators
- d. the ability of law-enforcement officer to apprehend violators safely within a reasonable distance from the violation, and
- e. pedestrian safety concerns.

The following intersections have had red light cameras installed.

**Exhibit #5  
Red Light Photo Enforcement Locations**

Intersection	Warning Period	Activation Date
Battlefield Boulevard (Rt. 168) & Great Bridge Boulevard (Rt. 190)/Kempsville Road	02/13/12	03/14/12
Indian River Road/Sparrow Road	07/22/11	08/21/11
Portsmouth Boulevard (Rt. 337) & Gum Road/Peek Trail	07/22/11	08/21/11
Greenbrier Parkway/Butts Station Road & Kempsville Road	01/29/11	02/28/11
Military Highway (Rt. 13) at Greenbrier Parkway/Dunbarton Drive	01/12/11	02/11/11
Military Highway (Rt. 13) and George Washington Highway (Rt. 17)	10/07/10	11/06/10

Battlefield Boulevard/Atlantic Avenue at Campostella Road	08/27/10	09/26/10
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The number of intersections that had cameras installed did not necessarily indicate the number of cameras in use. One intersection may have had multiple cameras pointed at several directions of approach.

## 7. Axon Cameras

In October 2012, the Department started using Axon body cameras. These cameras allowed a police officer to video record a crime scene, interaction with a citizen, or any other activity that the officer believed needed preserving. The Department had 197 cameras deployed. The body cameras played a role in cases involving citizen complaints. The cameras allowed the Department to clear citizen complaints with without needing to do an extensive investigation beyond viewing the video recording. In CY 2012 the total of citizen complaints was 86. Five complaints, from October to December, were able to be closed as a result of the Axon camera video. In CY 2013, 19 of 70 citizen complaints (27.1%) were closed based upon the video footage. In the first six months of CY 2014, 12 of 38 citizen complaints (31.6%) were closed based upon the video footage.

## 8. CALEA Accreditation



In 2011, the Department began pursuit of accreditation by the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA). CALEA was the only internationally recognized public safety accrediting body. The goals of CALEA were to:

- Strengthen crime prevention and control capabilities;
- Formalize essential management procedures;
- Establish fair and nondiscriminatory personnel practices;
- Improve service delivery;
- Solidify interagency cooperation and coordination; and
- Increase community and staff confidence in the agency.

The accreditation process was divided into five steps which were:

- Enrollment
- Self-Assessment
- On-Site Assessment
- Commission Review and Decision
- Compliance Maintenance and Reaccreditation

The enrollment process was completed in 2011. The rigorous self-assessment took almost three years and the dedicated efforts of two officers to complete. The self-assessment involved writing, reviewing, and documenting policy to ensure that it met the requirements of 188 CALEA standards. Furthermore, each standard had additional sub components that also needed to be met: There were over 500 individual items that needed to be addressed.

Upon completion of the self-assessment, the Department received an on-site assessment in March of 2014. At that time, trained assessors with professionally relevant experience conducted the assessment and reported their findings to the Commission for review. The Commission's Agency Review Committees then conducted hearings regarding the agency's compliance with applicable standards. Based upon these hearings CALEA determined that the City's Police Department would be granted CALEA accreditation.

The accreditation was formalized during the CALEA annual conference in July 2014. At that time, the Department received a three year letter of accreditation. The Department became only the second South Hampton Roads police force accredited through CALEA (several others had have started the process). After three years, the Department must submit to another on-site assessment.

## **9. Special Projects/Activities**

- a. **Mentors in Blue** – The Mentors in Blue group was comprised of six members of the Department that went out into the community and offered mentoring to young men and women from 10 to 18 years of age. This Unit conducted monthly training sessions for troubled youth at the Chesapeake Juvenile Services facility.
- b. **C.A.S.T. Program** – The C.A.S.T. (Community Area Shelter Team) Program was a winter sheltering program for the homeless. Patrol Officers provided security at the pick-up/screening sites, and made periodic shelter visits.
- c. **National Night Out** – The Patrol Operations Bureau participated in this annual event as a show of support and solidarity for citizens and communities. The Night Out event was a nationally recognized event where citizens demonstrated their stand against crime and partnered with the Police.
- d. **Civic League/Neighborhood Watch Programs** – These programs fell under the Patrol Operations Bureau. They had been established to provide citizens with a system that could be used to increase safety and security. The program encouraged citizens to join in crime prevention efforts within their individual neighborhoods. The program was dependent on citizens becoming personally involved and committed. It highlighted the benefits of utilizing and adhering to

basic crime prevention techniques and tactics that, when followed, could reduce the likelihood of becoming a victim. In addition, the program strived to develop a strong cooperative working relationship between citizens and Police. There were 71 Neighborhood Watch Programs and 53 Civic Leagues operating within the City.

- e. **School Based Programs** – Officers from the Patrol Operations Bureau also conducted presentations for school-age children in Chesapeake Public Schools. Those presentations usually covered a number of topics, including Officer Friendly, Stranger Danger, Home Alone, Career Days, and Bicycle Safety. Additionally, officers participated in school security and lock down drills.
- f. **Police Science Academy** - The Police Science Academy introduced middle school students to police functions and also served as a Mentorship Program. This program was being reinstated in the school system in partnership with the faith-based community. This 14-week program exposed the students, many of whom were failing or C-students, to:
  - a. Introduction to Law
  - b. Being the Good Citizen
  - c. Dive Team
  - d. Gangs
  - e. Vice
  - f. Narcotics
  - g. K-9
  - h. Bullying
  - i. Forensics
  - j. Explorer Program
  - k. How can you help the community
  - l. Police and the Use of Force
  - m. Testimony from Police Officers, Their Stories
  - n. Field Trip to a jail
- g. **Serve The City** - Through a collective effort of the Police Department, the faith-based community, civic leagues, schools, and the private sector, relationships were built for the purpose of producing healthy communities.
- h. **Citizen's Police Academy** - The Academy provided an opportunity for citizens to learn about police work and how their Police Department operated. Participants were exposed to several areas of police work and received instruction from personnel within the Department about the various Department functions. The citizens observed demonstrations from specialty units such as K-9 and S.W.A.T., participated in a "ride along" with a uniformed officer during a regular shift, and learned about firearms by interacting with the Use of Force simulator and shooting a Department-issued weapon.

- i. **Junior Citizen's Police Academy** – This Academy was similar to the Citizen's Police Academy, but open to high school students only. It afforded students an opportunity to learn about the various functions of the Police Department. This program was coordinated by School Resource Officers.
  
- j. **National Law Enforcement Challenge** - The Police Department had been notified by the International Association of Chiefs of Police (IACP) that the Department was selected as a National Law Enforcement Challenge (NLEC) first-place winner. The National Law Enforcement Challenge program promoted professionalism in traffic safety enforcement and encouraged departments to share best practices and programs with each other. The awards were based on entries prepared by the participating departments that highlighted their traffic safety activities in the past calendar year. Subject matter experts from police agencies, insurance companies, and other traffic safety organizations judged each participating department on:
  - a. Policy / Procedures
  - b. Officer Training
  - c. Education of the Public
  - d. Recognition / Awards
  - e. Traffic Enforcement
  - f. Results

## **C. Property and Evidence Unit**

Our review of the Department's Property and Evidence (P/E) unit identified a number of issues and control deficiencies that had not been addressed as well as practices that could be enhanced. These issues included the reporting structure for the Property and Evidence and Drug Evidence Management Units, data Integrity, Deposit processing, and access controls.

### **1. Reporting Structure**

**Finding – The Property and Evidence and Drug Evidence Management Units reported to the Criminal Investigative Division, which could be perceived as a possible conflict of interest.**

The International Association for Property and Evidence's (IAPE) Professional Standards stated that "to prevent a perceived conflict of interest, as it pertains to the disposition of property or evidence, the property unit should be placed organizationally in a neutral arena, such as a Services or Administration Division. The property officer should be the guardian of the property, not the collector of evidence or the decision maker regarding the disposition of property or evidence".

The Department's organization chart indicated that the Forensics Unit division, which included the and Property and Evidence (P/E) Unit, reported directly to the Sergeant-in-Charge of the Forensics Unit, who in turn reported to the Major-in Charge of the Investigations Bureau. In addition, the Forensics Unit was made up of four sections including Forensic Technicians, P/E, Automated Fingerprinting, and Police Photography. Three of these sections played a role in evidence collections. Further, the Drug Evidence Management Unit reported to the Sergeant-in-Charge of drug investigations.

This situation occurred because the Department had not recognized that the existing reporting structure for the P/E and Drug Management Units could be perceived as a possible conflict of interest. However, if this situation is not addressed, the P/E Unit's organizational placement could adversely impact the Unit's independence and credibility.

**Recommendation – The Department should consider revising the reporting structure for Property and Evidence and the Drug Evidence Management Units.**

To prevent a perceived conflict of interest and enhance accountability, the P/E and Drug Evidence Management Units should be placed organizationally in a neutral area, such as a services or administration division. In addition, the Department should consider the following items:

- The P/E and Drug Evidence Management Units should be organizationally separate from patrol and investigation functions.

- The P/E and Drug Evidence Management Units should not have any job responsibilities related to the investigation functions.

**Response: An organizational restructuring has taken place and the Property and Evidence Unit is now separate from patrol and investigation functions \*(See Department Organization Chart dated May 01, 2014).**

**With respect to the Drug Evidence Management Unit not having any job responsibilities related to the investigation functions, that recommendation is being reviewed further for possible implementation.**

## **2. Data Integrity**

**Finding – The integrity of the data maintained in the Tiburon automated property management system was unreliable. In addition, techniques for performing inventory audits could be enhanced.**

The Commission on Accreditation for Law Enforcement Agencies (CALEA) Standard 84.1.6 stated that “in order to maintain a high degree of evidentiary integrity over agency controlled property and evidence, an annual inspection, inventory and audit shall be completed. “The purpose of the annual inventory audit is to ensure the continuity of the custody and not to require the accounting of every single item of property. The annual audit should be a significant representative sampling of property including high risk items. The person named to conduct the audit should be appointed by the agency’s chief executive officer.” In addition, Appendix 1 of standard 84.1.6 stated “to use the table from Appendix 1 to determine an appropriate sample size for conducting audits. The sample size in the table must have been calculated based on a 95 percent confidence level and confidence interval of +/- 3 percent. If an error rate of more than 4 percent is discovered when conducting the audit, a complete inventory of high risk items must be performed.”

We conducted an inventory audit of the cash/jewelry vault and compared the inventory listing created from the Tiburon system to the actual physical inventory on hand in the vault. Of the 139 inventory items tested, 84 had discrepancies, resulting in a 60.4% error rate. After researching the discrepancies, we identified a number of concerns:

- Accurate inventory reports for various types of inventory (guns, drugs, cash, etc.) could not be produced.
- Inventory reports had to be re-verified to the Tiburon system to ensure the integrity of the data before inventory audits could be performed, a time consuming process.
- Inventory reports did not provide the total number of items in inventory.
- P/E personnel did not have access to reports to assist them in managing their inventory.
- Numerous items were listed on the inventory report but were no longer in inventory. We found numerous instances where cash had been deposited in the bank, but

the system did not reflect the disposition of the funds. In addition, there were items that were released to the customer and/or court that had not been recorded in the system and other inventory movement was not always entered (some items dated back as far as back as 2011).

- Reviews of previous audit inventory reports completed by the Department indicated numerous duplicate entries found in the system. Even after the vendor resolved the duplicate entry issue, we noted that the problem continued to recur and that unresolved entries that needed correction had not been corrected four months after vendor resolution was received. (Note: the duplicate entry problem was corrected during our audit).
- Location codes were not accurate (i.e. guns were listed on the cash inventory report when they were located in the gun inventory)
- While annual audits of inventory were completed each year as required, it appeared that instead of using the total population of inventory items to select the random sample size for testing, blocks of years were used as an alternative.
- Samples of inventory items selected for testing were not selected from the shelf and traced to the inventory listing. Instead, Inventory items were only traced from the listing to the actual item.
- P/E personnel did not have any way of determining what evidence they were to receive each day. A log of items placed in the overnight lockers and/or automated report created by the Tiburon system did not exist.

These situations existed because of glitches in the Tiburon system, released items that were not always entered into the system, (meaningful) inventory reports that had not been developed, and audits that were completed only once each year (the minimum CALEA standard requirement).

If these issues are not addressed, the data integrity of the system will diminish and become unreliable. In addition, if effective inventory audits are not performed, the ability to identify any missing, misplaced, lost or stolen items will be reduced. Also, we were informed during our audit that the Department was in the process of obtaining a new property and evidence system. If the data integrity issues in the existing system are not rectified, the data in the new system will contain the same data integrity exceptions noted in the old system.

**Recommendation – The Department should take steps to correct the inaccuracies in system data. In addition, we suggest that the audits for cash, guns and drugs be performed on a quarterly basis.**

As the Department moves forward with acquisition of a new Property and Evidence system it should consider the following:

- Ensure that the new system can produce accurate inventory reports for the various types of inventory as well as the total number of items in inventory.

- Ensure that P/E personnel have access to reports to assist them in managing their inventory.
- Purge items listed on the inventory report that are longer in inventory, and ensure that any release or movement of inventory is properly tracked.
- Ensure that location codes are accurate.
- Use the total population of inventory items to select the random sample size for inventory testing.
- Ensure that the Tiburon system is continually monitored so that when duplicate entries occur they are corrected.
- Ensure that a sample of items selected for testing to the audit inventory report are selected from the shelf.

**Response: Some data inaccuracies are the result of the Tiburon software. The Tiburon software has not performed as advertised by the manufacturer and has proven to be both cumbersome to use and inadequate in generating reports. However, quarterly inspections are being conducted to verify the presence of evidence; specifically, cash, drugs and weapons.**

### **3. Deposit Processing**

**Finding – The P/E unit had deficiencies in its deposit process that could be improved. In addition, Standard Operating Procedure (SOP) 11.7.6, Cash Handling and Deposit Procedures could be updated to include bank deposit verification.**

The IAPE's Professional Standards stated that “money should be packaged in sealed in a container that is tamper resistant containers with labels attached. Information on the label or package should provide sufficient data to identify the case, submitting and verifying employees, persons involved, contents and money listed by denomination and total. The verification of deposits by a second party should occur regardless of dollar amount.” In addition, Police, SOP 11.7.6, Cash Handling and Deposit Procedures states “received/seized monies will be deposited the same day as processed or no later than the next business day.”

We noted that, while received/seized cash was verified in the presence of the submitting officer and properly sealed and documented at the point of receipt, P/E personnel did not always list currency by denomination and the dollar total for all funds received. Also, bank deposits were not deposited on the date the cash was received or by the next business day as required by policy. In addition, we found a lack of segregation of duties in that the unit consistently allowed one individual to prepare and submit the bank deposit without a second person verifying the cash before it was deposited. We also determined that, while multiple deposits were made on one deposit slip, the deposit ticket only reflected the grand total for the deposit being made. Furthermore, Received and Seized cash were recorded in the same General Ledger (G/L) account.

This situation existed because the policies and procedures did not specifically articulate the process necessary for adequately controlled deposit preparation. If this situation is not addressed, there is a risk that cash could be misappropriated, thereby jeopardizing any case it was related to.

**Recommendation – The deposit process should be improved, and the SOP for Cash Handling and Deposit procedures updated to include deposit preparation.**

The Department should consider the following enhancements to the deposit receipt and preparation process:

- All bank deposits should be made on the day funds are received or no later than the next business day.
- Two people should verify each cash evidence bag deposit in the presence of each other.
- After each evidence bag is verified by two people, the case number and the amount of each deposit should be listed on the bank deposit slip.
- After all individual deposits are verified, listed, and totaled on the deposit slip, all cash from the various deposits should be consolidated by denomination, recounted, and reconciled to the grand total of cash indicated on the deposit slip.
- Both people who count the cash should initial and date the deposit slip and write the pre-numbered plastic bag number on the deposit slip.
- The deposit slip and cash should be placed in a tamper evident plastic bag.
- The bag should be sealed, and the two people who verified the cash should place their signature and date across the flap of the bag.
- The deposit should be brought to the bank.
- Pre-numbered tamper evident plastic bags should be used to store cash since they have a space to document the counting of cash by denomination, signatures of who counted and verified deposit.
- Received and Seized cash should be recorded into two different G/L accounts.
- At the end of each month, the police accounting section should be provided a list of all deposits made during the month to the accounting unit.

**Response: The Property and Evidence Unit’s Standard Operating Procedure (SOP) which pertains to Cash Handling and Deposit Procedures has been updated to implement the recommendations described above.**

**4. Access Controls**

**Finding – The access controls and security within the P/E Unit facility could be enhanced to ensure proper safeguarding of assets.**

The IAPE's Professional Standards stated that "access controls should ensure that unauthorized persons do not enter secure areas. These controls include, but are not limited to: key control, changing locks or access codes with changes of personnel, access logs, after-hours procedures, use of surveillance cameras and alarms."

Through discussions with staff, tours of the property and evidence facility, and observations at the facility, we identified a number of access control and security issues that needed to be addressed.

- The assets of the P/E unit were accessible to numerous employees. Five employees had the complete combination to the cash/jewelry vault, nine employees had cardkey access to the gun vault, and all 14 of these employees had cardkey access to the P/E room main entrance. In addition, the lieutenant who was responsible for the P/E function had access to all areas in the P/E facility except for the P/E evidence room entrance and vaults and could have their access revoked. In addition, there was no compensating access control in place to detect movement of the assets. Also, one employee who was reassigned from his position in P/E unit did not have his/her access revoked (this situation was corrected during the audit).
- There was no periodic review of the cardkey access report to ensure that only authorized personnel had access to the P/E facility. Also, the cash/jewelry and drug vaults did not have cardkey access; therefore, persons who entered the vault were not specifically identified.
- There were no surveillance cameras located within the P/E facility or the overnight P/E room located in the headquarters building, and two cameras located in the impound lot had been inoperable for over a year. In addition, the P/E unit did not have a camera monitor to determine if cameras were operational, we could not find any documentation indicating that all cameras within the headquarters facility were being tested each day, and no one had been assigned the responsibility to test all cameras each day to ensure that they were functioning as designed.
- There were no alarms on the P/E main room entrance, and the three vaults; they had motion detectors instead. Consequently, the 14 employees that had 24 hour cardkey access to all areas in the P/E facility could access these areas undetected at night. Also, the rear door entrance/exit did not have a sound alarm, and we observed employees that exited and reentered the building through this door during the day. In addition, there were no emergency pull alarms located in the P/E office that could be activated in the event of an emergency.
- The large customer service window remained open at all times and, when no one was in the office, a customer could climb through it. In addition, when employees retrieved evidence, they had to leave the office, which exposed them to anyone in the waiting area.
- The building closing process was not documented, and checklists indicating areas that needed to be examined when closing the building each day had not been developed.

- Combinations on the gun and cash/jewelry vaults had not been changed in many years, and the changing of combinations was not documented when it occurred.
- Since the fire suppression system within the P/E facility was a water system, in the event of a fire, water may damage some of the evidence in the evidence room.

These situations existed because the Department had not addressed the access controls and security risks within the P/E unit comprehensively. However, if these issues are not addressed, the risk exists that P/E assets could be misappropriated without detection for an extended period of time. In addition, employee safety could be at risk.

**Recommendation – Access controls and security should be improved in the P/E facility to ensure employee safety and the safeguarding of P/E assets.**

To improve controls and security, the Department should consider the following:

- Restrict access to the P/E evidence room and vaults to the extent practical and establish a procedure to periodically review cardkey access report to ensure that only authorized personnel have access to the P/E facility.
- Install Cardkey access devices on the cash/jewelry and drug vaults located in the P/E room.
- Install a camera system throughout the P/E facility. Ensure that all interior vaults and exterior vault doors as well as all exits and entrances have adequate camera coverage. In addition, establish a policy requiring that all cameras be tested each day to ensure they are operational and functioning as designed. The daily testing of cameras should be documented.
- Install a camera in the overnight P/E evidence room located in the headquarters building.
- Fix or replace the two inoperable cameras located in the impound lot. Also, obtain a monitor for these two cameras so that they can be tested and monitored each day.
- Consider installing alarms at the P/E main room entrance and all three vaults. The rear door located in the P/E main room should have a sound alarm and the door should be fixed so that it cannot be used to exit and enter the P/E room. In addition, pull alarms should be installed in the P/E office so that they can be activated in the event of an emergency.
- Determine if the size of the customer service window in the P/E office can be reduced or a restrictive device installed to improve office security.
- Consider relocating the access door that leads to the main evidence room entrance so that office employees can access the room entrance without being exposed to customers waiting for service.
- Create a building closing checklist that documents the closing process for the building each night. For example, it should include date completed, time completed, location of various doors, windows that required checking, setting of alarms, and the initials of the person performing the function. The form should be completed at the end of each day and maintained.

- Change combinations on vaults whenever there is turnover in the P/E unit and create a documented record of the change.
- Determine if a water suppression system will adequately protect the evidence held in the evidence room in the event of a fire.

**Response: This facility has security features that prevent access by those who do not have the proper credentials. However, the security system and accompanying video surveillance is being upgraded.**

## **D. Drug Evidence Management Unit**

Our review of the Police Department's Drug Evidence Management Unit identified a need for proper segregation of duties. Also, drugs that were ready for destruction were not being weighed.

### **1. Segregation of Duties**

**Finding – Segregation of duties in the Drug Evidence Management Unit was not adequate.**

The Institute of Internal Auditor's describes segregation of duties (SOD) as "a fundamental element of internal control and the segregation of certain key duties. The basic idea underlying SOD is that no employee or group of employees should be in a position both to perpetrate and to conceal errors or fraud in the normal course of their duties." In general, the principal incompatible duties to be segregated are:

- Custody of assets.
- Authorization or approval of related transactions affecting those assets.
- Recording or reporting of related transactions.

Traditional systems of internal control rely on assigning certain responsibilities to different individuals or segregating incompatible functions. The general premise of SOD is to prevent one person from having both access to assets and responsibility for maintaining the accountability of those assets.

Our review of internal controls within the Drug Evidence Management Unit revealed a lack of proper segregation of duties. During our audit, there was only one person assigned to the Drug Evidence Management Unit. The Police Officer Specialist responsible for the maintenance of the drug function had the following job responsibilities:

- Pick up drugs from each precinct and overnight evidence room (once a week).
- Deliver drugs to the lab for testing and picks up drugs from the lab and deliver them to the drug vault.
- Maintain the drug data base in the Tiburon property management system. This includes recording the movement of drugs in and out of the vault.
- Testify in drug cases.
- Determine which drugs need to be destroyed.
- Have sole twenty-four hour access to the alarm, evidence room, and drug vault.

Also, there was no back up person to replace the Police Officer Specialist in the event he/she was out of work for an extended period of time.

This situation occurred because a vacancy in the unit had not been filled for an extended period of time, thereby diminishing control over the drugs. If this situation is not addressed, the risk exists that the employee could have the opportunity to misappropriate drugs and falsify records, which could go undetected and affect drug court cases.

**Recommendation – The Department should establish adequate segregation of duties in the Drug Evidence Management Unit.**

To establish adequate segregation of duties, the Department should consider the following:

- Responsibility for access to assets and for maintaining the accountability of those assets should be separated.
- Personnel should be cross-trained so that there is adequate backup in the event of an emergency.

**Response: With respect to the segregation of duties in the Drug Evidence Management Unit the recommendation is being reviewed further for possible implementation. With respect to personnel being cross-trained so that there is adequate backup in the event of an emergency, that recommendation has already been implemented with the addition of adding a second detective to the Drug Evidence Management Unit.**

## **2. Drug Destruction**

**Finding – The drug destruction process did not include the weighing of drugs prior to destruction.**

The International Association for Property and Evidence’s Professional Standard 9.9: Drugs for Destruction Audit stated that “the drugs for destruction audit refers to the method used to determine that the drugs packages being destroyed have not had its contents substituted or removed from its packaging altogether. Drug packages should be randomly inspected prior to destruction for tampering, weight discrepancies and even perform a random qualitative analysis when practical to provide credibility and additional safeguards to the destruction process.”

We noted that drugs were not being weighed before they were destroyed. This situation existed because drug personnel indicated that they could tell by looking at the package if there were drugs missing and indicated that drugs shrunk over time and the weight would never be accurate. If this situation is not addressed, the possibility exists that drugs could be tampered with or removed and used for illegal purposes.

**Recommendation – All drugs should be weighed before they are destroyed.**

The weighing of drugs prior to destruction adds another level of internal control to the destruction process. It also reduces the risk that the drugs are removed inappropriately.

**Response: A Standard Operating Procedure (SOP) is being finalized to address the weighing of drugs prior to destruction.**

## **E. Occupational Health and Safety**

The Police Department's had a number of occupational health and safety issues and practices that could be enhanced. These issues included the Department's Voluntary Wellness Program, accidents, workers compensation drug testing and safety.

### **1. Voluntary Wellness Program**

**Finding – There was no requirement that sworn officers maintain a certain level of fitness, and the Department had not sufficiently incentivized sworn officers to participate in its Voluntary Wellness Program.**

An article in the April 2014, issue of *The PoliceChief Magazine* discussed the need for Law Enforcement Officers to participate in a Physical Fitness Program. The article stated that “regular physical activity helps to prevent coronary heart disease and assists with weight control. Weight training and strength exercises build muscles and endurance and enhance flexibility, thus protecting the body from injury and disability.”

“Because police officers suffer more job-related stress, they have a greater morbidity and mortality rate than the general public, due mostly to cardiovascular disease, colon cancer, and suicide. Consistent physical activity has been shown to reduce blood pressure, blood lipids, and glucose tolerance, thus helping to prevent hypertension, heart disease, and diabetes.”

The article also stated that “recent studies have shown an annual increase in the frequency and severity of cardiovascular incidences among law enforcement personnel. The risk of having a heart attack doubles with each decade of law enforcement service. Additionally, exercise and physical activity have been shown to reduce stress levels and alleviate some of the pressures officers feel as part of their profession.”

We found that there was no job requirement that police officers maintain a certain level of physical fitness to perform their duties. They were only required to have an annual physical to determine if sworn officers were “fit for work”. In addition we found that, although the Department had implemented a voluntary wellness program in accordance with SOP 1.2.12, the program was no longer operational.

This situation existed because the Department had not found a way to incentivize sworn officers to participate in the voluntary program. A physical fitness and wellness program was “important because the majority of suspect apprehensions made by police officers lasting over two minutes required them to use 75–90 percent of their cardiovascular endurance, anaerobic power, muscular strength and endurance, flexibility, and body composition to successfully perform their job”, according to the *PoliceChief* article. Thus, the lack of a program could place officers at a disadvantage in performing their required duties.

**Recommendation – The Department should reestablish and implement a fitness and wellness program for sworn officers and encourage all officers to participate in the program. In addition, the City should develop an Administrative Regulation that authorizes the use of incentives to encourage employees to actively participate in a wellness program.**

The *PoliceChief* article also stated “that police departments that have implemented a fitness and wellness program reported a 25 percent increase in productivity through a variety of factors: reduced absenteeism, reduced turnover rate, reduced accidents, and reduced worker’s compensation claims. In addition, research has shown that for every one dollar invested into fitness and wellness programs, the return ranges from two to five dollars.” To realize these benefits the Department should:

- Develop requirements for the fitness and wellness program.
- Consider establishing a requirement for all new sworn officers to maintain a certain level of fitness and wellness, and encourage existing sworn officers to participate in an ongoing fitness and wellness program.
- Consider using certified professional trainers to develop and provide fitness training.
- Identify incentives/consequences for program participation or lack thereof.
- Coordinate with Human Resources to develop an Administrative Regulation allowing the Police and/or other Public Safety Departments to use incentives to encourage participation in the program.

**Response: The Police Department supports the reestablishment and implementation of a fitness and wellness program for sworn officers and the encouragement all officers to participate in the program.**

## **2. Workers Compensation Costs**

**Finding – The Police Department’s injury-related workers compensation costs were a significant portion of the City’s overall worker’s compensation claims. At least some of these claims appeared to be related to physical activity.**

Police Department Policy & Procedure titled Occupational Medical Evaluation Program, Section 1.3.13, stated that, “It is the policy of the Chesapeake Police Department that sworn, auxiliary police and certain non-sworn personnel maintain proper health standards and an acceptable level of fitness.” In addition, Voluntary Wellness Program section 1.2.12 states, “Regular exercise is a worthy investment for employees, their families, and the Chesapeake Police Department. Each employee should seek to establish and maintain a fitness program that embodies their own potential while allowing them to perform their jobs in good health for the length of their careers.” Also, An article in the April 2014 edition of “*The Police Chief, the professional voice for law enforcement*” by Sergeant Adrienne Quigley, Arlington County, Virginia, Police Department; and International Association of Chiefs of Police Fellow indicated that physical fitness had a

direct impact on reducing injuries, improving personal well-being and performance.

We reviewed 25 common types of injuries associated with workers compensation claims and noted that the Department was responsible for \$1,688,508, or 26.9% of the City's claims total of \$6,273,496. Also, of the nine Citywide injuries that could potentially be associated with physical activity, the Department was responsible for 218 Of the 835 injuries (26.1%) and \$1,115,148 of the \$5,042,323 (22.1%) in claims costs, including 50% of the concussion claims (and 96% of the claims costs), 44% of the fractures (36.9% of claims costs), and 36.4% of lacerations (46.1 %of claims costs) in the City. Exhibit #6 below highlights this activity.

### Exhibit #6

#### Worker's Compensation Claim Payments & Number of Claims

Nature of injury	CITY FY11-13	POLICE DEPT FY11-13	% of City	CITY FY11-13	POLICE DEPT FY11-13	% \$\$ of City
CONCUSSION	12	6	50.00%	\$23,278.54	\$22,338.04	95.96%
CONTUSION	141	34	24.11%	\$484,459.70	\$184,647.73	38.11%
DERMATITIS	9	2	22.22%	\$1,255.81	\$287.00	22.85%
DISLOCATION	7	3	42.86%	\$128,530.82	\$17,218.70	13.40%
FRACTURE	25	11	44.00%	\$303,209.27	\$111,764.26	36.86%
LACERATION	110	40	36.36%	\$120,381.42	\$55,463.84	46.07%
MULTIPLE PHYSICAL INJURIES ONLY	40	11	27.50%	\$121,802.10	\$21,731.84	17.84%
SPRAIN	285	66	23.16%	\$843,553.24	\$145,732.70	17.28%
STRAIN	206	45	21.84%	\$3,015,851.75	\$555,963.77	18.43%

**TOTALS**                      **835**                      **218**                      **\$5,042,322.65**                      **\$1,115,147.88**  
 City                      Police                      **Police Percentage of City**

In addition, total workers' compensation claims paid in FY 2013 for the Police Department were \$2,121,169. These payments included claims that arose in FY 2013 as well as claims from previous years. The chart below highlights these payments.

### Exhibit #7

#### Workers' Compensation Claims Paid in FY13 by Department

<u>Department</u>	<u>Total Paid<sup>1</sup></u>
Fire Department	\$ 2,395,380
Police Department	\$ 2,121,169
Public Works	\$ 826,028

Sheriff	\$	781,748
Central Fleet	\$	261,080
Public Utilities	\$	221,895
CIBH	\$	72,454
Parks & Rec	\$	40,411
Health Services	\$	31,013
Libraries	\$	22,510
City Clerk	\$	21,115

Note 1: Remaining Departments < \$10k per year

The primary cause of the injury claims appeared to be the extraordinary physical response required for the performance of routine Police operations. These responses, though frequent, were not consistent in timing, length, or circumstance. Also, although the Police Department had procedures that included supervisory review by Internal Affairs of accidents involving personnel and vehicles, their process did not consistently review potential mitigation of accidents in other areas. Finally, the Department did not have a mandatory physical fitness examination after Academy graduation.

Unless the Department takes steps to address the situation, its claims will likely continue at a high level. In addition, the lack of mandatory post-graduation physical will continue to prevent the department from identifying situations where these potential injuries could be mitigated.

**Recommendation – The Police Department should reinstate their incentive program and consider developing additional policies to help mitigate their injury related workers compensation costs.**

The Department recognized the value of regular exercise and developed fitness programs for individuals, and should reestablished incentives for participation in their voluntary programs. Additionally, they may wish to create a guideline that includes periodic physical examinations as well as other items that demonstrate their continued ability to perform necessary physical activities.

**Response: The Police Department supports the reestablishment and implementation of a fitness and wellness program for sworn officers and the encouragement all officers to participate in the program. Moreover, officer safety can be enhanced through a wellness and fitness program. The City’s Department of Human Resources is currently exploring an employee wellness program.**

### 3. Police Vehicle Accidents

**Finding – The number of Police vehicle accidents increased from 2011 to 2013, resulting in a corresponding increase in repair costs.**

Standard Operating Procedure (SOP) 7.2.3, Department Vehicles, stated that “It is the policy of the Chesapeake Police Department that any employee (sworn or civilian) that operates a vehicle while in capacity of their employment with the City of Chesapeake, thoroughly comply with all provisions of this policy, including inspecting the vehicle before operation and promptly reporting any discrepancies to their immediate supervisor. Additionally, all employees shall operate vehicles with utmost caution and respect for other drivers, and are subject to internal investigation.”

We noted that the number of accident involving Police vehicles increased from calendar year 2011 to calendar year 2013. The numbers included an increase in accidents where an officer was deemed “At Fault” from 28 in 2011 to 52 in 2013, an 85.7% increase. Exhibit #8 below details the increases.

**Exhibit #8  
Number of Police Accidents**

	2011	2012	2013	<b>TOTAL</b>
<b>Total Number of Accidents</b>	73	67	82	<b>222</b>
<b>Unavoidable Accidents</b>	17	34	30	<b>81</b>
<b>At Fault Accidents</b>	28	33	52	<b>113</b>

The number of police vehicles repaired or totaled as a result of accidents more than doubled from 15 in 2011 to 32 in 2013. Costs for vehicles repaired, totaled and/or eventually replaced were approximately \$493,049 from 2011 to 2013. The tables below (Exhibits #9 & #10) provide summary details of the number of accidents and their related costs by year. (These figures excluded any reimbursements from insurance recoveries).

**Exhibit #9  
Number of Police Vehicles Repaired & Totaled by Central Fleet due to accidents**

	2011	2012	2013	<b>TOTAL</b>
<b>Vehicles Repaired</b>	11	14	31	<b>56</b>
<b>Vehicles Totaled</b>	4	5	1	<b>10</b>
<b>Totals</b>	15	19	32	<b>66</b>

**Exhibit #10**  
**Cost of Police Vehicles Repaired, Totaled & Replaced by Central Fleet due to accidents**

	2011	2012	2013	TOTAL
<b>Cost – Repaired Vehicles</b>	\$13,626	\$28,721	\$75,743	<b>\$118,093</b>
<b>Cost – Totaled Vehicles</b>	\$24,000	\$35,356	\$2,500	<b>\$61,856</b>
<b>Replacement Cost (approx. \$32,210/veh.)</b>	\$124,840	\$156,050	\$32,210	<b>\$313,100</b>
<b>Total Cost – Repaired Totaled &amp; Replaced</b>	\$162,466	\$220,127	\$110,424	<b>\$493,049</b>

Due to the inherent risk associated with police response activities, it was not surprising that their vehicle accident costs exceeded those of other City departments. However, if the total number of vehicle accidents continues to increase each year, the risk of officer injuries, repair and replacement costs, and other potential liabilities will escalate as well.

**Recommendation – The Department should evaluate its the accident review and training process with an eye towards making improvements that reverse the trend of increasing accidents and costs.**

The Police Department had an internal affairs investigation and Incident review panel in place to review the causes of accidents involving police vehicles. In addition to the panel’s ongoing reviews, we suggest the following:

- Statistical information provided in the annual accident reports for the last three years should be presented in a consistent format from year to year, allowing management to identify increasing accident trends.
- The Police Chief should receive statistical information regarding accidents at selected intervals during the year as opposed to just the end of the calendar year.
- The Department should evaluate whether modification are needed in their driver training programs to help reduce the number of accidents.

**Response: The Police Department has instituted a monthly review process of all accidents by the Bureau and Section Commanders. The compilation of data and analysis of causes now takes place on a monthly basis. Police personnel who are found to be “at fault” in motor vehicle accidents are disciplined based upon the severity of the incident and the frequency of these events based upon their personnel records. Discipline may also include remedial training. Additionally, police personnel driving records are reviewed annually.**

#### **4. Substance Abuse Policy**

**Finding – The City’s Substance Abuse Policy, Administrative Regulation (AR) 2.44, did not require police officers who were involved in an accident with a City vehicle to take a drug and alcohol test.**

The Omnibus Transportation Employee Testing Act of 1991 and guidelines effective January 1, 1995, subjected employees to following drug and alcohol testing requirement: “Post Accident Testing requires that an employee must be tested as soon as practicable following an accident involving a city vehicle, in the case of a fatality, a transport for medical attention, a moving violation with citation issued and/or in connection with a reported accident (fatality, injury (treated at scene or away from scene) and/or vehicle towed from the scene as a result of an accident). A post-accident test may be required for city vehicle accidents where the supervisor and/or Risk Management representative can find no reasonable explanation for the cause of the accident or there is extreme damage to property and/or serious injury arising out of the use or the operation of the city vehicle.”

After reviewing the City’s Substance Abuse Policy and discussing the matter with Human Resources, we noted that police officers who were involved in accidents with City vehicles were not required to take a drug and alcohol test. Conversely, Virginia Beach required their police officers to take drug and alcohol test whenever an accident occurred involving a City vehicle in the case of a fatality, a transport for medical attention, a moving violation, and/or a vehicle towed from the scene as a result of an accident with a citation issued and/or in connection with a reported accident.

This situation existed because Chesapeake’s Substance Abuse Policy exempted police officers from testing requirements. However, if this situation is not addressed, there may be instances where individuals who may have undetected substance abuse issues are allowed to drive City vehicles.

**Recommendation – The Police Department should collaborate with Risk Management to update the Substance Abuse Policy so that police officers are require to take a drug and alcohol test when accidents occur with a City vehicle.**

Police officers should not be exempt from drug and alcohol testing when involved in an accidents involving a City vehicle. Thus, they should be required to be tested in accordance with the guidelines outlined in the Omnibus Transportation Employee Testing Act.

**Response: The Police Department is currently working with the City’s Risk Manager, Jeff Rodarmel, in developing recommended changes to the City’s Substance Abuse Policy to address the issue of drug and alcohol testing.**

## 5. Safety

### **Finding – The Police Department did not comply with safety requirements related to eyewash stations.**

Administrative Regulation, City-Wide Safety Program-Loss Control Policy, 1.19 stated, “It is the policy of the City of Chesapeake to provide and maintain safe and healthful working environments and to follow operating practices that will safeguard all employees and the public.”

The Occupational Safety and Health Administration (OSHA) used the American National Standards Institute (ANSI) as guidance. ANSI Eyewash Z358.1-2009, In-Depth Compliance Guide states: “The Safety Showers and or Eyewash Stations must be located on the same level as the hazard and the path of travel shall be free from obstructions.”

We conducted several tours of various facilities of the Police Department. During our tours we observed that the plumbed eyewash station in the firearm maintenance room at the Chesapeake Police Academy was only useful when the door was shut. Additionally, the plumbed eyewash station for the Forensic lab was not clear of obstacles.

#### **Exhibit #11 Forensic Lab Eyewash Station**



This situation existed because no one recognized this situation as a problem. If this situation continues, personnel injuries may occur.

### **Recommendation – The Department should take steps to ensure that it complies with safety requirements related to eyewash stations.**

The Department should work with Facilities Maintenance to consider changing the hinge location of the door to the weapon maintenance room. In addition, steps should be taken to ensure that the eyewash stations are both compliant and fully accessible.

**Response: The Police Department has instituted an inspection requirement for the eyewash stations within its buildings to ensure that they are fully compliant.**

## **F. Animal Control:**

In reviewing the Department's Animal Control Unit, we identified several areas where procedures could be enhanced. These areas included quality of data on the Visibility automated system, physical security, physical condition of the facility, and caretaker staffing levels.

### **1. Quality Control**

**Finding – Chesapeake's Animal Services (CAS) did not have an effective quality control program for its animal shelter software data.**

Chesapeake Animal Services (CAS) procedure 13.2.5 required CAS to, "Create and maintain accurate records of animals received and/or disposed of by CAS, as well as all statistical data showing CAS activity."

In 2008 the City purchased an animal shelter software program, Visibility, to maintain official animal records. This software allowed input of data from intake to disposition, entering and tracking of bite/scratch human exposure reports, and also provided various end-user reports. However, we observed several instances where security features were bypassed:

- Visibility did not have a historical record of who entered data or made changes, when the entry or change was made, or an identification of the changed record.
- Although Visibility had an idle time-out feature, employees shared access with other employees for status updates, intakes, and other record inputs.
- Each entry of a report or animal was issued a unique "Animal Ref-ID". We noted several instances where the "Animal Ref-ID" was out-of-sequence with calendar dates.

**Exhibit #12  
Out of Sequence Animal Ref-ID Dates**

Animal Ref-ID	Received Date	Disposition Date	Type	Outtake Disposition
C-2012-1467	10/05/2012	10/19/2012	Cat	Euthanized - Illness/Injury
C-2012-1500	10/05/2012	11/14/2012	Cat	Euthanized - Illness/Injury
C-2012-1501	10/05/2012	10/28/2012	Cat	Euthanized - Illness/Injury
C-2012-1502	10/05/2012	01/10/2014	Cat	
C-2012-1503	10/05/2012	11/19/2012	Cat	Euthanized - Illness/Injury
C-2012-1504	10/05/2012	11/18/2012	Cat	Died at Shelter
C-2012-1505	10/05/2012	01/10/2014	Cat	
C-2012-1468	10/06/2012	10/11/2012	Cat	RTO (Returned to Owner)

- There were also several instances where the received date and disposition were not in agreement or the disposition date was indicated before the admission date.

**Exhibit #13**  
**Receipt and Disposition Date Comparison**

Animal Ref-ID	Received Date	Disposition Date	Type	Outtake Disposition
C-2012-30	01/19/2012	01/18/2012	Cat	Exposure report/Owners custody
C-2012-239	03/19/2012	04/02/2012	Cat	DOA (Dead On Arrival)
D-2012-1342	07/21/2012	07/20/2012	Dog	Exposure report/Owners custody
D-2012-1349	07/23/2012	07/22/2012	Dog	Exposure report/Owners custody
D-2012-1557	08/15/2012	08/14/2012	Dog	Exposure report/Owners custody
D-2012-2119	11/27/2012	11/24/2012	Dog	Exposure report/Owners custody
D-2012-2191	12/07/2012	02/09/2012	Dog	Transfer to Rescue or Other Agency
D-2013-385	03/08/2013	03/14/2013	Dog	RTO from Truck
	"Outtake Disposition" and "Status" does not agree with dates.			
	Disposition date was indicated as before Received date			

- CAS used three sequential logs for manual recordkeeping of daily occurrences. One log was for dogs, one for cats, and one for other. In addition, CAS used a daily statistical report for manual recordkeeping for each animal control officer and office and a summarization of dispositions. Additionally, CAS used a locally generated Excel spreadsheet for each month of operation. The locally generated records were the basis for the submission of an annual report to the Virginia Department of Agriculture and Consumer Services via the State Vet. A comparison of these records to Visibility indicated various discrepancies such as several euthanasia instances documented in Visibility but not entered on the daily logs; daily logs and Visibility not consistently agreeing on whether the animal was stray or owner surrendered; and daily logs and Visibility not consistently agreeing on the number of adoptions that occurred.
- We observed several instances where the documented age on an adoption contract appeared to violate State Code §3.2-6510, Sale of unweaned or certain immature animals prohibited, vaccinations required for dogs and cats; penalty, which required that dogs and cats be at least seven weeks of age at the time of adoption. Although the contracts showed the age as less than seven weeks, the actual age of the dogs and cats was at least seven weeks of because CAS always held the puppy or kitten until it was at least seven weeks old. However, CAS allowed local printed adoption contracts, which sometimes included incorrect ages, to be entered into Visibility.
- Not all foster contracts included the required signature from a CAS designee.

- Locally printed adoption contracts from Visibility were sometimes printed on two separate sheets of paper. The two separate sheets of paper did not have any linking information other than 'Page x of 2'.
- We noted that State Code § 3.2-6575 Sterilization agreement, stated, “[a] statement printed in conspicuous, bold print, that sterilization of the dog or cat is required under this article” was not included in the locally printed adoption contract from Visibility or the preprinted adoption contract used for off-site adoptions.

These situations occurred existed because CAS did not have an effective quality control process to reconcile and review Visibility’s actual daily transactions to reduce data discrepancies. Additionally, because of CAS staffing levels, reconciliations often did not occur until the last visitor had left. However, if this situation is not addressed, CAS’s official records and reports may be inaccurate.

**Recommendation – CAS should develop a quality control program that includes a daily reconciliation routine for daily transactions and a frequently scheduled review of the accuracy of data entered into Visibility.**

CAS should consider the following items for the program:

- Develop a stylebook that provides staff with a standardized format that includes selection of applicable fields for each transaction, and document that affected staff received the required training.
- Conduct a regularly scheduled review of the accuracy and completeness of the various forms completed related to animal history. CAS should also consider revising the adoption contracts so that they have the required bold font and animal ID on each page, and changing the parameters for adoption contracts printed from Visibility so that they don’t print the animal’s intake age.
- Attempt to coordinate staffing levels for office assistants with visitor traffic peaks.
- Consider selecting an animal records software package that includes an audit history when Visibility is eventually replaced.

**Response: The Police Department concurs with the recommendation and is currently working on the development of an improved quality control program which includes the acquisition of improved computer software.**

## **2. Physical Security**

**Finding – Physical security at CAS could be enhanced.**

Chesapeake Police Department Standard Operating Procedure Animal Services 13.2.6 CAS stated, “Monitor visitors to the shelter for the safety of citizens and animals” and, “Compile list of any equipment in need of repair or replacement and provide it to the ACS [Animal Care Supervisor].”

During our various tours of the CAS facility, we made the following observations:

- Although there were some signs advising visitors to not open cages or put fingers into cages, it was a common practice for visitors to put fingers into cages.
- There were no blocking devices on the cage door latching devices of animal cages and pens to deter those visitors who might try to open them.
- There were no cameras at the entrance of the restricted access euthanasia room, and it also did not have a card swipe machine to record and identify which employee entered fourteen employees had access to the room.
- Euthanasia drug bulk inventory was not counted and reconciled to the inventory record each time a bottle of drugs was removed from the bulk supply.
- There was inadequate segregation of duties for drug verification audits.
- Complete verification of drugs was performed once every two years.
- There was no camera and recorder for monetary transactions at the front desk.
- The combination for the safe containing bulk storage of the euthanasia drug was kept in a normally unlocked office.
- Issued keys were not recorded. Additionally, keys were not numbered.
- Locks, access codes, and combinations were not routinely changed when an employee left.

These situations resulted from Animal Control's adjustment to the new CAS facility, and procedures which had yet to be developed for it. Also, staff was content with existing security practices carried over from the old structure to the new building. However, the cage situation increased risk of injury to visitors or animals from unauthorized opening of cage doors. Also, species-specific diseases may be transmitted from one infected animal to other animals through visitors touching one animal then touching another. Finally, the lack of cameras at the euthanasia room and the front desk, as well as the lack of a card swipe machine and the lack of lock and access code security were internal control deficiencies that could result in accidents or financially losses for the City.

### **Recommendation – The Department should consider enhancing physical security at the CAS facility**

These security enhancements could include:

- Posting additional signage advising visitors not to place hands and fingers through cage doors or open cage doors;
- Installing a card swipe access system for entrance to the restricted access euthanasia room;
- Installing a camera at the entrance to the restricted access euthanasia room with an off-site server;
- Inventory counts of euthanasia drugs should be performed by an independent person who does not have drug responsibilities.
- Complete drug verification (audits) should be performed more frequently than once every two years.

- Bulk supply of drugs should be counted and agreed to the bulk supply inventory record each time a bottle of drugs is removed from the bulk supply of drugs.
- Consider limiting access to the bulk supply of euthanasia drugs by splitting the combination on the drug safe.
- Installing cameras to observe monetary transactions at the front desk and at the safe with an off-site server;
- Conducting an inventory of all keys allowing access to the building and any restricted access areas;
  - Numbering each key and issuing the key with a signature on a log;
  - Changing access codes and/or combinations when those holding the codes or combinations leave then ensuring access to the codes and combinations are restricted.

**Response:**

- Posting additional signage advising visitors not to place hands and fingers through cage doors or open cage doors:

**This recommendation has been implemented.**

- Installing a card swipe access system for entrance to the restricted access euthanasia room:

**We concur that this recommendation should be implemented. The estimated cost to add mag lock/swipe readers to the three necessary doors is \$10,500.**

- Installing a camera at the entrance to the restricted access euthanasia room with an off-site server:

**This recommendation should be implemented in part. Adding a camera to the hallway entrance to the euthanasia room will track those who enter and exit this door; however, it would be of little value if a second camera was not added to capture who enters and exits the exam room which has direct access to the euthanasia room. The estimated cost of adding these two cameras, which would feed directly to the existing security system, is estimated at \$7,000.**

**We have consulted with Brian Ritzer of Diebold and Steve Snyder, Facilities Management Project Manager, utilizing an off-site server to capture security system video feeds is not recommended. There are currently 47 video feeds each averaging .5 megabytes of data at all times. Sending data intensive video of this type over network lines will have a deleterious effect on existing network bandwidth capabilities which are already challenged. Additionally, if there is a network outage, all video during the outage will be lost. Presently, the video system and its recorder are installed in a rack in the CAS second floor**

**telecommunications room which is accessed by swipe reader. Access to this room can be restricted to IT personnel and CAS supervisors as an alternate measure.**

- Inventory counts of euthanasia drugs should be performed by an independent person who does not have drug responsibilities:

**This recommendation is currently in place. Superintendent Strouse, while certified to administer euthanasia drugs, is seldom involved in their use. Superintendent Strouse is properly entrusted to perform inventories and audits at her level of management responsibility.**

- Complete drug verification (audits) should be performed more frequently than once every two years:

**This recommendation was in place at the time of the audit. While the Commonwealth of Virginia Board of Pharmacy only requires an audit every two years, audits of euthanasia drug quantities and their associated handling by certified personnel occur with each new shipment of drugs and with each removal of a bottle from bulk supply and its placement into working supply. The total number of cubic centimeters of medicine used from each bottle of Ketaset and Sodium Pentobarbital is reconciled with the user log each time a bottle is depleted and contemporaneous with its replacement. As an added verification measure, Mr. Robert Kolin of our Standards and Research Unit will conduct an annual drug verification audit.**

- Bulk supply of drugs should be counted and agreed to the bulk supply inventory record each time a bottle of drugs is removed from the bulk supply of drugs:

**This recommendation is currently in place. A weekly verification, conducted by Superintendent Strouse, has also been added to this process.**

- Consider limiting access to the bulk supply of euthanasia drugs by splitting the combination on the drug safe:

**We do not concur with this recommendation. Access to the bulk supply is already limited to Superintendent Strouse and Animal Care Supervisor Stevens. Limiting access further or requiring both persons to be present when the safe is opened is unnecessary and will be unduly burdensome to the organization's efficiency.**

- Installing cameras to observe monetary transactions at the front desk and at the safe with an off-site server:

**With respect to the front desk, this recommendation has already been implemented by making a minor adjustment to the positioning of one camera to capture cash drawer activity. The installation of a camera to capture activity in the cash safe is estimated to cost \$3,500. The use of an off-site server to capture video feeds should not be implemented for the reasons stated previously.**

- Conducting an inventory of all keys allowing access to the building and any restricted access areas; numbering each key and issuing the key with a signature on a log:

**This recommendation has already been implemented.**

- Changing access codes and/or combinations when those holding the codes or combinations leave then ensuring access to the codes and combinations are restricted:

**This recommendation will be implemented for the electronic push-button combination safes located in the working drug supply cabinet and the cash safe located in the room behind the front counter. Superintendent Strouse will review the user manuals for each device and change the combinations due to recent resignations. The bulk drug supply safe uses a spinning combination lock and will require the services of a locksmith to change the combination should the Superintendent or Animal Care Supervisors' employment status ever change.**

### **3. Building Deficiencies**

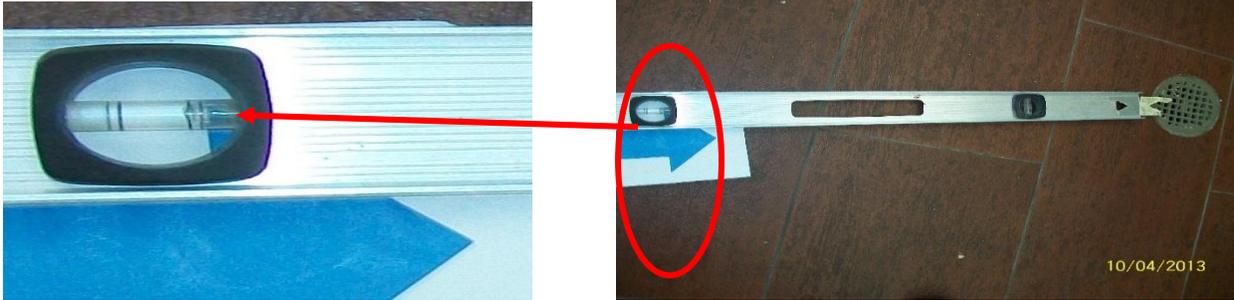
**Finding – The Chesapeake's Animal Services (CAS) shelter building had several construction-related physical deficiencies.**

Department of Public Works regulation Condition Assessment of Facilities, #952 states, "Public Works (Municipal Facilities) shall inspect buildings and other facilities on a regular basis to identify major and minor repair/replacement items."

During several tours of the CAS facility, we observed the following construction-related physical deficiencies:

- Although there did not appear to be an issue within the animal pens, there were several floor drains at the top of an upward slope or level with the floor.

**Exhibit #14  
Floor Drain Slopes**



Mechanical room's floor drains.



- There were multiple ceiling tiles damaged and water accumulation on the roofs.

**Exhibit #15  
Damaged tile and roof water accumulation**



- A dog pen had permanent discoloration. Soon after the transfer from the old pound on Cook Blvd to the new facility on Military Highway, a dog was placed in the holding pen. When the holding pen was cleaned the following morning, the staff was unable to remove the stains.

### Exhibit #16



- There was also no visitor counter system installed to provide information on visitor traffic levels and peak/slack periods.

These conditions had several causes.

- The floor drain issues occurred because there was no existing building code requiring floors to be sloped toward the drain; therefore it was not inspected during construction. The architect's floor plans called for installation of the floor drains, but there was no detail of any slope of the floor toward the drains. Also, the various slabs were poured and finished as units without the use of any special forms to set the slope of the concrete floor during finishing and curing.
- The damaged ceiling tiles were caused by improper insulation of chilled water piping and high humidity inside the pound. This issue has been corrected by the vendors. Although the pooling of water on the roof did not indicate roof leakage and was generally acceptable for this type of installed roof, the pooling of water and algae growth was an issue due to required preventative maintenance to maximize the useful lives of the various roofs.

Although the physical discrepancies did not directly affect the care of the animals, if they are not remediated, increased housekeeping and maintenance efforts will be required. Also, the lack of a visitor counter deprived the Department of potentially valuable information on citizen usage of the facility.

**Recommendation – The Department should continue to work with Public Works to remediate any outstanding construction deficiencies.**

In addition to remediating construction deficiencies the Department should also consider:

- Installing a visitor counter to allow for more informed staffing level and operating hour decisions.
- Advising Development and Permits of lessons learned from the construction of the CAS pound for consideration in future inspection criteria and/or City ordinances.

**Response: The City intends to complete the Animal Services Facility using funds from retainage on the terminated construction contract, any recovery from counterclaims filed against the terminated contractor who initiated lawsuits, and/or claims made of the contractor's surety pursuant to the performance and defect bond. A meeting with representatives from the surety company is scheduled later this week.**

#### **4. Animal Caretakers**

Finding – Chesapeake Animal Services unit did not have sufficient number of animal caretakers.

“The National Animal Control Association (NACA) recommends that each shelter and animal care facility be staffed each day with the appropriate number of kennel personnel to insure that every animal is properly care for in a safe and humane manner and to maintain a safe working environment for employees.”

“Caring for sheltered animals requires daily cleaning and sanitation to reduce the spread of disease, maintain the health of the shelter population and to maintain a clean and odor free facility. Shelters and animal care facilities must maintain an appropriate daily feeding schedule for each animal in its care and insure there is adequate staff and time to complete all the other duties and responsibilities of caring for sheltered animals including but not limited to laundry, dish washing, lost and found, stocking and inventory of supplies, janitorial, and supplemental waste removal throughout the day.”

“It is the responsibility of every animal shelter and animal care facility to meet or exceed the minimum standards of animal care for all impounded animals by maintaining staffing level that insures that the minimum animal care standards are adhered to on a daily basis without putting staff at risk of injury.” The NACA has developed a standard formula for determining kennel staffing needs for caretakers.

We reviewed the CAS staffing needs for caretakers to determine if the CAS met or exceeded the minimum staffing level standards recommended by the NACA. Based on our calculations using the NACA formula for determining staffing levels for caretakers, we found that CAS was understaffed with regard to the number of caretakers needed to the minimal indicated animal care standards. Using CAS actual animal intake figures, a ten(10) day holding period and three(3) hours for cleaning and feeding of animals, we noted that the CAS should have a minimum of 9 caretakers. CAS employed 6 caretakers; therefore, the CAS was not in compliance with the minimum NACA standards. Exhibit 17, below details the calculations.

**Exhibit #17**  
**Recommended Caretaker Analysis**

Calendar Year	Reported annual animal intake	Average daily population note 1	Average daily population X 15 minutes (cleaning & feeding)	(cleaning & feeding) ÷ 60 minutes	note 2 (cleaning & feeding) ÷ 3 = # of staff recommended	# of caretakers	# of cages / pens
2013	4066	111	1665	28 hours	9	6	288
2012	3724	102	1530	26 hours	9	5	182
2011	3438	94	1413	24 hours	8	5	182
2010	3971	109	1632	27 hours	9	5	182

Notes: 1: Using the minimum holding period of a stray with ID upper limit of 10 days. (number of animals / 365 x 10)  
2: At least three hours dedicated for cleaning and feeding per NACA (hours / 3 to give number of staff).

It should be mentioned that the CAS has successfully been using volunteer inmates to fill the void of not having an adequate number of caretakers. It should be noted however, that while the help of inmates has been invaluable for cleaning, feeding, laundry, re-stocking and assisting with visitors, they cannot assess animals, handle fractious or feral animals, vaccinate, test, dispense medications, treat or dress wounds, or assist with euthanasia of animals. In addition, the CAS has successfully utilized volunteers. The volunteers contribute approximately 350 hours per month. They assisted with visitors and provide animal enrichment, such as dog walking, but did not perform all of the other functions above of the caretaker. CAS enjoyed the support of Chesapeake Humane Society's volunteers.

This condition existed due to budgetary constraints. If this situation continues to exist animal care standards will diminish and could place animal safety and the working environment for employees at risk. In addition, the care of the animals will be increasing difficult to manage.

**Recommendation – The Police Department should analyze animal volume rates, average daily animal population, caretaker training time, and any other factors to provide evidence for increased caretaker staffing in future budget negotiations.**

**Response: The Police Department is currently in the process of analyzing animal volume rates, average daily animal population, caretaker training time, and other factors to provide information for increased caretaker staffing in future budget submissions.**

## **G. Cash, Revenue, and Accounts Payable Issues**

We identified several potential internal control enhancements related to the Department's financial activities. These enhancements were related to the cash handling, deferred revenues, Non-PO vouchers, and vendor invoices.

### **1. Cash Handling and Settlement Processing**

**Finding – The Department's cash handling and settlement processes could be improved, and controls and safeguards over cash could be enhanced.**

An effective cash control process should incorporate the following attributes:

- Documented cash handling, settlement and control procedures.
- Safeguarded cash funds in the department during the day and at night.
- Controlled duplicate keys and combinations to cash funds and safes.
- Defined and detailed daily settlement processes including settlement time(s), use of count sheets with signatures and dates, counts of the entire cash fund, processing of overage and shortages, and periodic surprise cash counts.
- Defined cash exchange processes.

We evaluated the cash handling process, internal control processes, and safeguards over cash in various units of the Department to determine if cash processes were functioning as designed and cash funds were adequately controlled and safeguarded. We noted the following:

- Procedures for cash handling, settlement and control had not been documented.
- The Accounting Unit had two small safes that were not affixed to wall/floor.
- The Central Records Unit had the following cash control issues:
  - There was no safe to store cash. In addition, four cash bags were collected by the manager at the end of the day and locked in the manager's office. Two individuals had complete access to the office.
  - The end of the day settlement was not documented on a count sheet. Instead, a check mark was placed by the cash total indicating that the cash was counted.
  - A general ledger over/short account had not been established to process cash differences.
- Animal Control had the following cash control issues:
  - Four persons had the complete combination to the safe that housed the cash.
  - A safe log was not utilized to document when the safe was opened and closed, what was placed in or removed from the safe and by whom, and the time and date movement of items occurred.
  - Two or more employees worked out of the same change fund.
  - The change fund was not kept locked after each use.
  - The key to the change fund was not under the sole control of one person.
  - There were three change funds and one petty cash fund, however, only one change fund was used each day, and two or more employees worked out of

the same change fund.

- Deposits were prepared by a settlement person who placed the deposit in an envelope and gave the deposit to an Animal Control Officer that delivered the deposit to the City Treasurer's Office.

This condition existed because procedures had not been developed, documented, and implemented for cash settlement and handling processes and the safeguarding of assets. Also, no monitoring process had been developed and implemented to ensure controls were in place and functioning as designed. If cash handling and control procedures are not established and periodically monitored, the risk exists that cash funds could be misappropriated.

**Recommendation – The Department should develop and document cash handling and cash settlement process policies and procedures so that cash is adequately safeguarded. In addition, the Department should develop an ongoing monitoring process to ensure adherence to cash handling and cash control procedures.**

The cash control procedures developed should address the following areas:

- Adequate training for cash-handling and settlement personnel.
- Procedures for control of cash during the day and at night.
- Use of one change fund, with one designated person responsible for the fund.
- Control of keys and combinations.
- Procedures for handling overages and shortages when they occur.
- Settlement procedures that include daily system financial balancing totals, settlement times and dates, use of count sheets, cash exchange processes, cash counts for all funds including change funds, completion of settlement documents, signatures and dates, and adding machine tapes. The daily cash settlement process should require that cash funds be verified by one person, reconciled by another, and a settlement sheet be completed each day even if there are no transactions. Deposits should be made no later than the next business day.
- Cash and change funds should be counted at the end of the each day and each morning before opening for business.
- A vault/safe log should be created that documents the date, time, and individual who accessed the vault/safe and documents the movement of assets.
- An ongoing monitoring process should be established.
- Safes should be attached to wall or floor in the accounting unit.
- Plastic tamper evident bags should be used to deliver deposits to the treasurer's office.

**Response: The Police Department currently has a department-wide Cash Handling Guideline Standard Operating Procedures for each Unit that handles cash. These documents will be reviewed and updated to reflect changes made to improve internal control processes, to include a daily cash settlement procedure as required for each unit.**

- 7.7.1 Accounting, Budget and Payroll Section – Cash Handling
- 8.6.5 Central Records Section – Money Receipt/Disposition
- 11.7.6 Forensics – Cash Handling and Deposit Procedures
- 1.1.2 Criminal Intelligence Section – Confidential Funds
- 10.4.16 Vice and Narcotics Section – Asset Forfeiture
- 10.1.2 Vice and Narcotics Section – Confidential/Asset Funds
- 13.6.1 Animal Services Unit – Forms and Records
- 13.2.5 Animal Services Unit - Office Assistants

- Quarterly audits are conducted on the petty/travel cash and change funds.

**Recommendations Implemented:**

- Accounting safes have been mounted to the closet wall.
- Central Records Unit: Count sheets provided by Audit Services are used to document the daily settlement process. The renovation to the customer service window included installation of 3 locked cash drawers mounted to the counter that are assigned to individual change fund custodians. Each custodian has a key to their drawer; drawers are kept locked except during a cash/check transaction. Cash remains in the securely mounted, locked drawer, during non-business hours. An alternate change fund custodian has a locked change fund bag that is kept locked in a desk drawer. When use of the alternate change fund is required a cash drawer at the customer service window is assigned. Spare keys for each change fund are kept in a sealed envelope in the Police Chief's safe. A general ledger overage/shortage account has been established. Finalize – new procedure for handling deposits.
- Animal Services: Count sheets provided by Audit Services are used to document the daily settlement process. Spare keys for each change fund are held by the Animal Control Superintendent in a locked desk. A general ledger overage/shortage account has been established. Finalize – new procedure for handling deposits, safe access controls and locking drawer/change fund between transactions.

**2. Deferred Revenue Account**

**Finding – The Deferred Revenue general ledger (G/L) account (# 1222204000) had a net out of balance condition in the amount of \$128,807.49. In addition, the G/L account was not being reconciled each month and documentation was not being forwarded to the City's Finance Department each quarter as required. Also, funds for unclaimed assets and drug-related seized assets were being intermingled.**

The Finance Department (Finance) made a presentation at the February 2014 Linkage meeting that identified G/L accounts that required reconciliation, the frequency

of the reconcilements, and the required documentation that needed to be sent to Finance. Departments were required to reconcile subsidiary records to the G/L monthly and review for possible corrective action. In addition, they were required to provide reconciliation, analysis, and detailed lists of amounts that tied to the G/L to Finance quarterly (i.e. items that made up the balance along with supporting documentation).

Our review of the subsidiary records for the Deferred Revenue G/L account revealed that the account had a net out of balance condition in the amount of \$128,807.49, which began in Fiscal Year 2006 and continued to Fiscal Year 2013. Also, we determined that the G/L account was only being reconciled at the end of each fiscal year and was not being reconciled each month as required; therefore, quarterly reconcilements were not being prepared and sent to Finance. In addition, funds received for unclaimed assets and drug-related seized assets were being recorded in the Deferred Revenue account, and transaction dates reflected on the subsidiary records were not in agreement with the dates reflected on the G/L.

This situation existed because the Deferred Revenue account was not reconciled on a monthly basis, reconcilements and supporting documentation were not forwarded to Finance each quarter, and there was no review and follow up to ensure that the required reconcilements were completed.

If this situation is not addressed, the risk exists that misappropriated funds could go undetected for an extended period of time. Also unclaimed assets and drug-related seized assets will not be accounted for properly.

**Recommendation – The Deferred Revenue subsidiary record should be reconciled to the General Ledger (G/L) Deferred Revenue account each month and that quarterly reconcilements and supporting documentation be forwarded to the Finance Department. In addition, funds for unclaimed assets and seized asset should be processed into separate G/L accounts.**

In addition, the Departments should consider the following actions:

- Contact Finance to establish two new G/L accounts; one for police unclaimed assets and one for seized assets.
- Establish two new subsidiary records for each G/L account.
- Reconcile the existing deferred revenue account.
- Establish a listing of the individual items that make up the total ending balance for each G/L account.
- Reconcile transaction dates on the subsidiary records with the transaction dates on the G/L.

**Response: Recommendations Implemented:**

- **The Deferred revenue subsidiary record is reconciled to the General Ledger monthly and a report is provided to Finance.**

- New subsidiary and GL accounts have been established and are being used effective 6/1/14. 1222700007: OCL-Police unclaimed, collections that are not drug related, found monies, etc. COID: 40560, subsidiary – Unclaimed Transactions. 1222700008: OCL-Seized Assets – drug related seizures COID: 40561, subsidiary – Seized Asset Transactions.
- Reconciliation is underway for the deferred revenue account. Reconciliation of the subsidiary account to the GL has been completed. A list of open seized cases has been reconciled between the subsidiary record and Vice and Narcotics. The non-drug cases are still under review as well as a list of cases that may be considered “seized”. When the reconciliation is completed the list of individual cases will be reconciled to the GL monthly balance.

### **3. Use of Non-Purchase Order Vouchers**

**Finding – The Police Department used non-purchase order vouchers to process multiple similar and frequent purchases.**

Administrative Regulation 4.12 Delegation of procurement authority totaling \$4,999.99 or less per transaction stated the following:

“Responsibilities:

a. Department and agency heads shall:

(1) Be authorized to purchase materials, supplies, and services totaling \$4,999.99 or less per vendor transaction. The processing of a requisition through the Finance Department may be utilized in order to meet departmental Commitment Control (budgetary) needs. The department and agency heads are the responsible parties for purchases under \$4,999.99, per City Code Section 54-33.”

VI. Procedures for selection of vendors:

“b. Orders shall not be split or favoritism shown to vendor selection.”

Chesapeake City Code Section 54-33. Duties generally.

“Under the oversight of the city manager or designee, the procurement administrator or designee shall purchase all supplies and services for the city and shall sell all personal property of the city that may have been condemned as useless by the director of a department, except the purchase of such supplies and services and the sale of such personal property for which the council and/or city manager may make other provisions. The city manager may delegate responsibility for the purchase of supplies and services totaling \$4,999.99 or less to department directors or agency heads under such terms and conditions as the city manager may deem appropriate.”

We reviewed accounts payable information for the Department and observed purchases of supplies, services or equipment that cumulatively exceeded the total limit of \$4999.99 as well as the use of non-PO voucher process for vendors with City Contracts. Exhibit 18 details these occurrences.

**Exhibit #18  
Cumulative non-PO purchases for FY13**

<b>non-PO voucher total</b>	<b>Vendor</b>	<b>Name</b>
\$54,816.44	0000020853	BEST UNIFORMS INC
\$39,387.40	0000000766	SOUTHERN POLICE EQUIPMENT CO., INC.
\$18,678.00	0000002397	VIRGINIA HUMANITEKS INC
\$15,794.58	0000001269	RUTH ANN MACQUEEN, DVM, PC
\$13,532.95	0000016847	QUALITY UNIFORM CO
\$11,914.75	0000000685	ENTERPRISE LEASING CO. NORFOLK/RICHMOND
\$11,812.79	0000000342	SOUTHERN STATES - CHESAPEAKE ASSOC
\$11,407.53	0000002428	AFFILIATED ANIMAL CARE
\$10,130.65	0000018116	VSC FIRE & SECURITY INC
\$9,891.46	0000000975	GATELY COMMUNICATION CO
\$8,943.71	0000012005	JEFFREY P KLEMM [Veterinarian services]
\$7,933.49	0000007699	VIRGINIA INFORMATION TECHNOLOGIES AGENCY
\$7,760.00	0000002508	NOWCARE PHYSICIANS PC
\$6,827.80	0000009818	CRUISE VENTURES INC
\$6,156.36	0000005363	LONDON BRIDGE TRADING CO.
\$5,212.00	0000002056	LAS GAVIOTAS PET HOTEL, INC.

This situation occurred because the Department chose to use non-PO vouchers for these vendors instead of creating the required purchase order. If this condition continues, management will not have the available tools to make future contracting decisions. Also, without the controls of purchase orders, contractual spending limits may be exceeded. Additionally, without the controls of the competitive bid process, the City may not receive the best price for the supplies, services or equipment.

**Recommendation – The Department should take steps to ensure that it complies with applicable requirements for the vendors with City contracts**

In conjunction with Purchasing, the Department should review spending history for individual vendors and ensure that it solicits contracts in instances where it is required. Once those contracts are established, the Department should use purchase orders to ensure that contract expenditures are properly monitored.

**Response:**

- **The issuance of purchase orders for procurement of goods and services is the goal throughout the Department for commitment control purposes and to ensure compliance with procurement administrative regulations. Purchasing has been contacted to confirm the requirement to issue a purchase order for items on city contract. In reference to city contracts for uniforms, i.e., Best Uniforms, Southern Police Equipment, Quality Uniform, POs had not been issued because an item catalog is not set up in Peoplesoft**

and it would be cumbersome to create POs for the hundreds of uniform orders. After discussion with Purchasing it was learned that blanket purchase orders may be used for these types of IDIQ purchases so blanket POs will be issued beginning in FY 15. Also, there is a city-wide contract with Nowcare Physicians for controlled substance and alcohol testing for which a PO has not been issued; Human Resources oversees and charges departments as costs are incurred.

- The Police Department is submitting solicitation requests to Purchasing for items that have not been previously bid or do not have a city contract in place, i.e., radar/laser certification and repair, animal cremation/disposal, shelter supplies, medical treatment for animals, emergency boarding for animals, radio repairs/installation/removal. Las Gaviatos Pet Hotel was previously utilized to board K9s when their handler was on vacation; this service is no longer required because there are sufficient kennels at the Animal Services facility. Citywide, an effort should be made to solicit a contract for travel services so that a blanket purchase order can be issued by the department.
- Non-PO purchases – payments to Virginia Information Technologies Agency (VITA) were for a circuit and considered a utility type payment, which does not typically utilize a PO. The payment to VITA was for the monthly managed service fee for Nortel VPN routers used to connect to VCIN (Virginia Criminal Information Network), LiveScan or AFIS (Automated Fingerprint Identification System). CPD converted from Nortel to Juniper in FY 14; so service has been discontinued.
- Splitting Transactions – through the course of a fiscal year period a series of orders may be placed with a vendor that may total more than \$4,999.99; however, the Department does not purposely split transactions to avoid a competitive procurement or favor a particular vendor. When a purchase of goods or services is identified, the applicable procurement rules are applied to that transaction. The procurement of specific items may vary from year to year and within a fiscal year, making it difficult to plan the purchases. CPD applies the procurement authority provided in AR 4.12 to each individual transaction, not the cumulative spend during a designated period. The Purchasing and Finance Departments were contacted to obtain clarification regarding the authority provided in AR 4.12; however, the City Attorney's Office would be the best source to resolve the interpretation difference. \*\* (See attached memo dated July 16, 2014 from Bob Knowles, Accounts Payable Manager).

#### **4. Use of Vendor Invoice Numbers**

##### **Finding – The Police Department submitted accounts payable invoices with locally generated invoice numbers.**

PeopleSoft's internal controls required unique invoice numbers from vendors. It automatically rejected accounts payable entries that had duplicate invoice numbers from a vendor.

We observed several instances which the Department processed accounts payable payments using locally generated invoice numbers instead of using the unique invoice number from the vendor. For example, on December 9, 2013, the Department created an unsigned memo to Finance and the vendor which stated, "Please find attached invoices that should be paid by invoice number: They are as follows:". The invoice number was non-PO voucher invoice number 12/09/13-PD, a locally generated number, substituted for the actual vendor invoice numbers of 318833, 319725, 322216, and 322220. We also observed several other instances where this practice occurred.

This situation was the result of a Departmental attempt to reduce the accounts payable turnaround process by combining several invoices from a single order. However, if this situation continues, the Department risks duplicate payment to vendors.

##### **Recommendation – The Police Department should discontinue the practice of creating locally generated invoice numbers.**

Purchasing should incorporate language in each competitive bid process requiring unique invoice numbers. If a vendor invoice is incompatible with PeopleSoft, the Department should work with Purchasing and Finance to determine how to submit it.

**Response: A summary invoice is used to save time in processing invoices. A summary invoice may include payment for up to 20 individual invoices, greatly reducing the number of entries. Care is taken to prevent duplicate payments to each vendor; however, this method is not as reliable as entering unique invoice numbers for each vendor. \*\* (See attached memo dated July 16, 2014 from Bob Knowles, Accounts Payable Manager).**

# **APPENDIX A**

## **RESPONSE FROM POLICE DEPARTMENT OFFICIALS**

**MEMORANDUM**

**TO:** Jay Poole, City Auditor

**FROM:** K. L. Wright, Chief of Police 

**DATE:** August 13, 2014

**SUBJECT:** Police Department Audit Report

I, as well as members of my staff, have reviewed the audit report prepared by your office. We welcome the independent review by your office and concur with many of the findings.

I believe it appropriate to state that we are committed to improvement of process, procedures, and practices as it relates to delivery of services and in seeking greater efficiencies and improving effectiveness. To that end, some of our practices are governed by the judicial system and legal precedent. These practices and procedures, by their very nature, may not be efficient, but are effective in the proper execution of law enforcement. Furthermore they are recognized as meeting, and in some cases, exceeding the industry standards. As sworn officers, we hold ourselves to a higher standard of conduct in order to maintain the public's trust. Accordingly, violations of that trust are, by necessity, dealt with swiftly and with consequences harsher than the civilian side of city operations. In fact, utilizing many of the recommendations in a review of the police department conducted by Carroll Buracker and Associates (2008), the department received its national accreditation through the Commission on Accreditation for Law Enforcement Agencies (CALEA), the fifth Hampton Roads city to do so.

It must be clearly understood that some of the recommendations contained in the audit report are more than just a change in process and are not cost neutral. Many of the recommendations carry with them, a monetary component and will require budgetary considerations as we move forward. Some of them, we believe are not necessary because of existing safeguards already in place. Although they may not satisfy an auditor's opinion as to reaching a higher level of confidence, we believe that the existing safeguards, coupled with the penalties for violations of trust, provide an acceptable measure of protection.

Nevertheless, we have moved forward on many of the recommendations and will seek to implement others as agreed upon.

KLW:kgb

## **C. Property and Evidence Unit**

Our review of the Department's Property and Evidence (P/E) unit identified a number of issues and control deficiencies that had not been addressed as well as practices that could be enhanced. These issues included the reporting structure for the Property and Evidence and Drug Evidence Management Units, data Integrity, Deposit processing, and access controls.

### **1. Reporting Structure**

**Finding – The Property and Evidence and Drug Evidence Management Units reported to the Criminal Investigative Division, which could be perceived as a possible conflict of interest.**

**Recommendation – The Department should consider revising the reporting structure for Property and Evidence and the Drug Evidence Management Units.**

**Response:**

**An organizational restructuring has taken place and the Property and Evidence Unit is now separate from patrol and investigation functions \*(See Department Organization Chart dated May 01, 2014).**

**With respect to the Drug Evidence Management Unit not having any job responsibilities related to the investigation functions, that recommendation is being reviewed further for possible implementation.**

### **2. Data Integrity**

**Finding – The integrity of the data maintained in the Tiburon automated property management system was unreliable. In addition, techniques for performing inventory audits could be enhanced.**

**Recommendation – The Department should take steps to correct the inaccuracies in system data. In addition, we suggest that the audits for cash, guns and drugs be performed on a quarterly basis.**

**Response:**

**Some data inaccuracies are the result of the Tiburon software. The Tiburon software has not performed as advertised by the manufacturer and has proven to be both cumbersome to use and inadequate in generating reports. However, quarterly inspections are being conducted to verify the presence of evidence; specifically, cash, drugs and weapons.**

### **3. Deposit Processing**

**Finding – The P/E unit had deficiencies in its deposit process that could be improved. In addition, Standard Operating Procedure (SOP) 11.7.6, Cash Handling and Deposit Procedures could be updated to include bank deposit verification.**

**Recommendation – The deposit process should be improved, and the SOP for Cash Handling and Deposit procedures updated to include deposit preparation.**

**Response:**

**The Property and Evidence Unit’s Standard Operating Procedure (SOP) which pertains to Cash Handling and Deposit Procedures has been updated to implement the recommendations described above.**

### **4. Access Controls**

**Finding – The access controls and security within the P/E Unit facility could be enhanced to ensure proper safeguarding of assets.**

**Recommendation – Access controls and security should be improved in the P/E facility to ensure employee safety and the safeguarding of P/E assets.**

**Response:**

**This facility has security features that prevent access by those who do not have the proper credentials. However, the security system and accompanying video surveillance is being upgraded.**

## **D. Drug Evidence Management Unit**

Our review of the Police Department’s Drug Evidence Management Unit identified a need for proper segregation of duties. Also, drugs that were ready for destruction were not being weighed.

### **1. Segregation of Duties**

**Finding – Segregation of duties in the Drug Evidence Management Unit was not adequate.**

**Recommendation – The Department should establish adequate segregation of duties in the Drug Evidence Management Unit.**

To establish adequate segregation of duties, the Department should consider the following:

- Responsibility for access to assets and for maintaining the accountability of those assets should be separated.
- Personnel should be cross-trained so that there is adequate backup in the event of an emergency.

Response:

With respect to the segregation of duties in the Drug Evidence Management Unit the recommendation is being reviewed further for possible implementation. With respect to personnel being cross-trained so that there is adequate backup in the event of an emergency, that recommendation has already been implemented with the addition of adding a second detective to the Drug Evidence Management Unit.

## **2. Drug Destruction**

**Finding – The drug destruction process did not include the weighing of drugs prior to destruction.**

**Recommendation – All drugs should be weighed before they are destroyed.**

The weighing of drugs prior to destruction adds another level of internal control to the destruction process. It also reduces the risk that the drugs are removed inappropriately.

Response:

**A Standard Operating Procedure (SOP) is being finalized to address the weighing of drugs prior to destruction.**

## **E. Occupational Health and Safety**

The Police Department's had a number of occupational health and safety issues and practices that could be enhanced. These issues included the Department's Voluntary Wellness Program, accidents, workers compensation drug testing and safety.

### **1. Voluntary Wellness Program**

**Finding – There was no requirement that sworn officers maintain a certain level of fitness, and the Department had not sufficiently incentivized sworn officers to participate in its Voluntary Wellness Program.**

**Recommendation – The Department should reestablish and implement a fitness and wellness program for sworn officers and encourage all officers to participate in the program. In addition, the City should develop an Administrative Regulation**

**that authorizes the use of incentives to incent employees to actively participate in a wellness program.**

The ***PoliceChief*** article also stated “that police departments that have implemented a fitness and wellness program reported a 25 percent increase in productivity through a variety of factors: reduced absenteeism, reduced turnover rate, reduced accidents, and reduced worker’s compensation claims. In addition, research has shown that for every one dollar invested into fitness and wellness programs, the return ranges from two to five dollars.” To realize these benefits the Department should:

- Develop requirements for the fitness and wellness program.
- Consider establishing a requirement for all new sworn officers to maintain a certain level of fitness and wellness, and encourage existing sworn officers to participate in an ongoing fitness and wellness program.
- Consider using certified professional trainers to develop and provide fitness training.
- Identify incentives/consequences for program participation or lack thereof.
- Coordinate with Human Resources to develop an Administrative Regulation allowing the Police and/or other Public Safety Departments

**Response:**

**The Police Department supports the reestablishment and implementation of a fitness and wellness program for sworn officers and the encouragement all officers to participate in the program.**

## **2. Workers Compensation Costs**

**Finding – The Police Department’s injury-related workers compensation costs were a significant portion of the City’s overall worker’s compensation claims. At least some of these claims appeared to be related to physical activity.**

**Response:**

**The Police Department supports the reestablishment and implementation of a fitness and wellness program for sworn officers and the encouragement all officers to participate in the program. Moreover, officer safety can be enhanced through a wellness and fitness program. The City’s Department of Human Resources is currently exploring an employee wellness program.**

## **3. Police Vehicle Accidents**

**Finding – The number of Police vehicle accidents increased from 2011 to 2013, resulting in a corresponding increase in repair costs.**

**Recommendation – The Department should evaluate its the accident review and training process with an eye towards making improvements that reverse the trend of increasing accidents and costs.**

The Police Department had an internal affairs investigation and Incident review panel in place to review the causes of accidents involving police vehicles. In addition to the panel’s ongoing reviews, we suggest the following:

- Statistical information provided in the annual accident reports for the last three years should be presented in a consistent format from year to year, allowing management to identify increasing accident trends.
- The Police Chief should receive statistical information regarding accidents at selected intervals during the year as opposed to just the end of the calendar year.
- The Department should evaluate whether modification are needed in their driver training programs to help reduce the number of accidents.

**Response:**

**The Police Department has instituted a monthly review process of all accidents by the Bureau and Section Commanders. The compilation of data and analysis of causes now takes place on a monthly basis. Police personnel who are found to be “at fault” in motor vehicle accidents are disciplined based upon the severity of the incident and the frequency of these events based upon their personnel records. Discipline may also include remedial training. Additionally, police personnel driving records are reviewed annually.**

#### **4. Substance Abuse Policy**

**Finding – The City’s Substance Abuse Policy, Administrative Regulation (AR) 2.44, did not require police officers who were involved in an accident with a City vehicle to take a drug and alcohol test.**

**Recommendation – The Police Department should collaborate with Risk Management to update the Substance Abuse Policy so that police officers are require to take a drug and alcohol test when accidents occur with a City vehicle.**

Police officers should not be exempt from drug and alcohol testing when involved in an accidents involving a City vehicle. Thus, they should be required to be tested in accordance with the guidelines outlined in the Omnibus Transportation Employee Testing Act.

**Response:**

**The Police Department is currently working with the City’s Risk Manager, Jeff Rodarmel, in developing recommended changes to the City’s Substance Abuse Policy to address the issue of drug and alcohol testing.**

## **5. Safety**

**Finding – The Police Department did not comply with safety requirements related to eyewash stations.**

**Recommendation – The Department should take steps to ensure that it complies with safety requirements related to eyewash stations.**

The Department should work with Facilities Maintenance to consider changing the hinge location of the door to the weapon maintenance room. In addition, steps should be taken to ensure that the eyewash stations are both compliant and fully accessible.

**Response:**

**The Police Department has instituted an inspection requirement for the eyewash stations within its buildings to ensure that they are fully compliant.**

## **F. Animal Control:**

In reviewing the Department's Animal Control Unit, we identified several areas where procedures could be enhanced. These areas included quality of data on the Visibility automated system, physical security, physical condition of the facility, and caretaker staffing levels.

### **1. Quality Control**

**Finding – Chesapeake's Animal Services (CAS) did not have an effective quality control program for its animal shelter software data.**

**Recommendation – CAS should develop a quality control program that includes a daily reconciliation routine for daily transactions and a frequently scheduled review of the accuracy of data entered into Visibility.**

CAS should consider the following items for the program:

- Develop a stylebook that provides staff with a standardized format that includes selection of applicable fields for each transaction, and document that affected staff received the required training.
- Conduct a regularly scheduled review of the accuracy and completeness of the various forms completed related to animal history. CAS should also consider revising the adoption contracts so that they have the required bold font and animal ID on each page, and changing the parameters for adoption contracts printed from Visibility so that they don't print the animal's intake age.
- Attempt to coordinate staffing levels for office assistants with visitor traffic peaks.

- Consider selecting an animal records software package that includes an audit history when Visibility is eventually replaced.

**Response:**

**The Police Department concurs with the recommendation and is currently working on the development of an improved quality control program which includes the acquisition of improved computer software.**

**2. Physical Security**

**Finding – Physical security at CAS could be enhanced.**

**Recommendation – The Department should consider enhancing physical security at the CAS facility**

These security enhancements could include:

- Posting additional signage advising visitors not to place hands and fingers through cage doors or open cage doors;
- Installing a card swipe access system for entrance to the restricted access euthanasia room;
- Installing a camera at the entrance to the restricted access euthanasia room with an off-site server;
- Inventory counts of euthanasia drugs should be performed by an independent person who does not have drug responsibilities.
- Complete drug verification (audits) should be performed more frequently than once every two years.
- Bulk supply of drugs should be counted and agreed to the bulk supply inventory record each time a bottle of drugs is removed from the bulk supply of drugs.
- Consider limiting access to the bulk supply of euthanasia drugs by splitting the combination on the drug safe.
- Installing cameras to observe monetary transactions at the front desk and at the safe with an off-site server;
- Conducting an inventory of all keys allowing access to the building and any restricted access areas;
  - Numbering each key and issuing the key with a signature on a log;
  - Changing access codes and/or combinations when those holding the codes or combinations leave then ensuring access to the codes and combinations are restricted.

**Response:**

Posting additional signage advising visitors not to place hands and fingers through cage doors or open cage doors:

**This recommendation has been implemented.**

Installing a card swipe access system for entrance to the restricted access euthanasia room:

**We concur that this recommendation should be implemented. The estimated cost to add mag lock/swipe readers to the three necessary doors is \$10,500.**

Installing a camera at the entrance to the restricted access euthanasia room with an off-site server:

**This recommendation should be implemented in part. Adding a camera to the hallway entrance to the euthanasia room will track those who enter and exit this door; however, it would be of little value if a second camera was not added to capture who enters and exits the exam room which has direct access to the euthanasia room. The estimated cost of adding these two cameras, which would feed directly to the existing security system, is estimated at \$7,000.**

**We have consulted with Brian Ritzer of Diebold and Steve Snyder, Facilities Management Project Manager, utilizing an off-site server to capture security system video feeds is not recommended. There are currently 47 video feeds each averaging .5 megabytes of data at all times. Sending data intensive video of this type over network lines will have a deleterious effect on existing network bandwidth capabilities which are already challenged. Additionally, if there is a network outage, all video during the outage will be lost. Presently, the video system and its recorder are installed in a rack in the CAS second floor telecommunications room which is accessed by swipe reader. Access to this room can be restricted to IT personnel and CAS supervisors as an alternate measure.**

Inventory counts of euthanasia drugs should be performed by an independent person who does not have drug responsibilities:

**This recommendation is currently in place. Superintendent Strouse, while certified to administer euthanasia drugs, is seldom involved in their use. Superintendent Strouse is properly entrusted to perform inventories and audits at her level of management responsibility.**

Complete drug verification (audits) should be performed more frequently than once every two years:

**This recommendation was in place at the time of the audit. While the Commonwealth of Virginia Board of Pharmacy only requires an audit every two years, audits of euthanasia drug quantities and their associated handling by certified personnel occur with each new shipment of drugs and with each removal of a bottle from bulk supply and its placement into working supply. The total number of cubic centimeters of medicine used from each bottle of Ketaset and**

**Sodium Pentobarbital is reconciled with the user log each time a bottle is depleted and contemporaneous with its replacement. As an added verification measure, Mr. Robert Kolin of our Standards and Research Unit will conduct an annual drug verification audit.**

Bulk supply of drugs should be counted and agreed to the bulk supply inventory record each time a bottle of drugs is removed from the bulk supply of drugs:

**This recommendation is currently in place. A weekly verification, conducted by Superintendent Strouse, has also been added to this process.**

Consider limiting access to the bulk supply of euthanasia drugs by splitting the combination on the drug safe:

**We do not concur with this recommendation. Access to the bulk supply is already limited to Superintendent Strouse and Animal Care Supervisor Stevens. Limiting access further or requiring both persons to be present when the safe is opened is unnecessary and will be unduly burdensome to the organization's efficiency.**

Installing cameras to observe monetary transactions at the front desk and at the safe with an off-site server:

**With respect to the front desk, this recommendation has already been implemented by making a minor adjustment to the positioning of one camera to capture cash drawer activity. The installation of a camera to capture activity in the cash safe is estimated to cost \$3,500. The use of an off-site server to capture video feeds should not be implemented for the reasons stated previously.**

Conducting an inventory of all keys allowing access to the building and any restricted access areas; numbering each key and issuing the key with a signature on a log:

**This recommendation has already been implemented.**

Changing access codes and/or combinations when those holding the codes or combinations leave then ensuring access to the codes and combinations are restricted:

**This recommendation will be implemented for the electronic push-button combination safes located in the working drug supply cabinet and the cash safe located in the room behind the front counter. Superintendent Strouse will review the user manuals for each device and change the combinations due to recent resignations. The bulk drug supply safe uses a spinning combination lock and will require the services of a locksmith to change the combination should the Superintendent or Animal Care Supervisors' employment status ever change.**

### **3. Building Deficiencies**

**Finding – The Chesapeake’s Animal Services (CAS) shelter building had several construction-related physical deficiencies.**

**Recommendation – The Department should continue to work with Public Works to remediate any outstanding construction deficiencies.**

In addition to remediating construction deficiencies the Department should also consider:

- Installing a visitor counter to allow for more informed staffing level and operating hour decisions.
- Advising Development and Permits of lessons learned from the construction of the CAS pound for consideration in future inspection criteria and/or City ordinances.

**Response:**

**The City intends to complete the Animal Services Facility using funds from retainage on the terminated construction contract, any recovery from counterclaims filed against the terminated contractor who initiated lawsuits, and/or claims made of the contractor’s surety pursuant to the performance and defect bond. A meeting with representatives from the surety company is scheduled later this week.**

**4. Finding – Chesapeake Animal Services unit did not have sufficient number of animal caretakers.**

**Recommendation – The Police Department should analyze animal volume rates, average daily animal population, caretaker training time, and any other factors to provide evidence for increased caretaker staffing in future budget negotiations.**

**Response:**

**The Police Department is currently in the process of analyzing animal volume rates, average daily animal population, caretaker training time, and other factors to provide information for increased caretaker staffing in future budget submissions.**

## **G. Cash, Revenue, and Accounts Payable Issues**

We identified several potential internal control enhancements related to the Department’s financial activities. These enhancements were related to the cash handling, deferred revenues, Non-PO vouchers, and vendor invoices.

### **1. Cash Handling and Settlement Processing**

**Finding – The Department’s cash handling and settlement processes could be improved, and controls and safeguards over cash could be enhanced.**

**Recommendation – The Department should develop and document cash handling and cash settlement process policies and procedures so that cash is adequately safeguarded. In addition, the Department should develop an ongoing monitoring process to ensure adherence to cash handling and cash control procedures.**

The cash control procedures developed should address the following areas:

- Adequate training for cash-handling and settlement personnel.
- Procedures for control of cash during the day and at night.
- Use of one change fund, with one designated person responsible for the fund.
- Control of keys and combinations.
- Procedures for handling overages and shortages when they occur.
- Settlement procedures that include daily system financial balancing totals, settlement times and dates, use of count sheets, cash exchange processes, cash counts for all funds including change funds, completion of settlement documents, signatures and dates, and adding machine tapes. The daily cash settlement process should require that cash funds be verified by one person, reconciled by another, and a settlement sheet be completed each day even if there are no transactions. Deposits should be made no later than the next business day.
- Cash and change funds should be counted at the end of the each day and each morning before opening for business.
- A vault/safe log should be created that documents the date, time, and individual who accessed the vault/safe and documents the movement of assets.
- An ongoing monitoring process should be established.
- Safes should be attached to wall or floor in the accounting unit.
- Plastic tamper evident bags should be used to deliver deposits to the treasurer's office.

**Response:**

**The Police Department currently has a department-wide Cash Handling Guideline Standard Operating Procedures for each Unit that handles cash. These documents will be reviewed and updated to reflect changes made to improve internal control processes, to include a daily cash settlement procedure as required for each unit.**

**7.7.1 Accounting, Budget and Payroll Section – Cash Handling**

**8.6.5 Central Records Section – Money Receipt/Disposition**

**11.7.6 Forensics – Cash Handling and Deposit Procedures**

**1.1.2 Criminal Intelligence Section – Confidential Funds**

**10.4.16 Vice and Narcotics Section – Asset Forfeiture**

**10.1.2 Vice and Narcotics Section – Confidential/Asset Funds**

**13.6.1 Animal Services Unit – Forms and Records**

**13.2.5 Animal Services Unit - Office Assistants**

- Quarterly audits are conducted on the petty/travel cash and change funds.

#### **Recommendations Implemented:**

- Accounting safes have been mounted to the closet wall.
- Central Records Unit: Count sheets provided by Audit Services are used to document the daily settlement process. The renovation to the customer service window included installation of 3 locked cash drawers mounted to the counter that are assigned to individual change fund custodians. Each custodian has a key to their drawer; drawers are kept locked except during a cash/check transaction. Cash remains in the securely mounted, locked drawer, during non-business hours. An alternate change fund custodian has a locked change fund bag that is kept locked in a desk drawer. When use of the alternate change fund is required a cash drawer at the customer service window is assigned. Spare keys for each change fund are kept in a sealed envelope in the Police Chief's safe. A general ledger overage/shortage account has been established. Finalize – new procedure for handling deposits.
- Animal Services: Count sheets provided by Audit Services are used to document the daily settlement process. Spare keys for each change fund are held by the Animal Control Superintendent in a locked desk. A general ledger overage/shortage account has been established. Finalize – new procedure for handling deposits, safe access controls and locking drawer/change fund between transactions.

#### **2. Deferred Revenue Account**

**Finding – The Deferred Revenue general ledger (G/L) account (# 1222204000) had a net out of balance condition in the amount of \$128,807.49. In addition, the G/L account was not being reconciled each month and documentation was not being forwarded to the City's Finance Department each quarter as required. Also, funds for unclaimed assets and drug-related seized assets were being intermingled.**

**Recommendation – The Deferred Revenue subsidiary record should be reconciled to the General Ledger (G/L) Deferred Revenue account each month and that quarterly reconciliations and supporting documentation be forwarded to the Finance Department. In addition, funds for unclaimed assets and seized asset should be processed into separate G/L accounts.**

In addition, the Departments should consider the following actions:

- Contact Finance to establish two new G/L accounts; one for police unclaimed assets and one for seized assets.
- Establish two new subsidiary records for each G/L account.
- Reconcile the existing deferred revenue account.
- Establish a listing of the individual items that make up the total ending balance for each G/L account.
- Reconcile transaction dates on the subsidiary records with the transaction dates on the G/L.

**Response:**

**Recommendations Implemented:**

- **The Deferred revenue subsidiary record is reconciled to the General Ledger monthly and a report is provided to Finance.**
- **New subsidiary and GL accounts have been established and are being used effective 6/1/14. 1222700007: OCL-Police unclaimed, collections that are not drug related, found monies, etc. COID: 40560, subsidiary – Unclaimed Transactions. 1222700008: OCL-Seized Assets – drug related seizures COID: 40561, subsidiary – Seized Asset Transactions.**
- **Reconciliation is underway for the deferred revenue account. Reconciliation of the subsidiary account to the GL has been completed. A list of open seized cases has been reconciled between the subsidiary record and Vice and Narcotics. The non-drug cases are still under review as well as a list of cases that may be considered “seized”. When the reconciliation is completed the list of individual cases will be reconciled to the GL monthly balance.**

### **3. Use of Non-Purchase Order Vouchers**

**Finding – The Police Department used non-purchase order vouchers to process multiple similar and frequent purchases.**

**Recommendation – The Department should take steps to ensure that it complies with applicable requirements for the vendors with City contracts**

In conjunction with Purchasing, the Department should review spending history for individual vendors and ensure that it solicits contracts in instances where it is required. Once those contracts are established, the Department should use purchase orders to ensure that contract expenditures are properly monitored.

**Response:**

- **The issuance of purchase orders for procurement of goods and services is the goal throughout the Department for commitment control purposes and to ensure compliance with procurement administrative regulations. Purchasing has been contacted to confirm the requirement to issue a purchase order for items on city contract. In reference to city contracts for uniforms, i.e., Best Uniforms, Southern Police Equipment, Quality Uniform, POs had not been issued because an item catalog is not set up in Peoplesoft and it would be cumbersome to create POs for the hundreds of uniform orders. After discussion with Purchasing it was learned that blanket purchase orders may be used for these types of IDIQ purchases so blanket POs will be issued beginning in FY 15. Also, there is a city-wide contract with Nowcare Physicians for controlled substance and alcohol testing for which a PO has not been issued; Human Resources oversees and charges departments as costs are incurred.**
- **The Police Department is submitting solicitation requests to Purchasing for items that have not been previously bid or do not have a city contract in place, i.e., radar/laser certification and repair, animal cremation/disposal, shelter supplies, medical treatment for animals, emergency boarding for animals, radio repairs/installation/removal. Las Gaviatos Pet Hotel was previously utilized to board K9s when their handler was on vacation; this service is no longer required because there are sufficient kennels at the Animal Services facility. Citywide, an effort should be made to solicit a contract for travel services so that a blanket purchase order can be issued by the department.**
- **Non-PO purchases – payments to Virginia Information Technologies Agency (VITA) were for a circuit and considered a utility type payment, which does not typically utilize a PO. The payment to VITA was for the monthly managed service fee for Nortel VPN routers used to connect to VCIN (Virginia Criminal Information Network), LiveScan or AFIS (Automated Fingerprint Identification System). CPD converted from Nortel to Juniper in FY 14; so service has been discontinued.**
- **Splitting Transactions – through the course of a fiscal year period a series of orders may be placed with a vendor that may total more than \$4,999.99; however, the Department does not purposely split transactions to avoid a competitive procurement or favor a particular vendor. When a purchase of goods or services is identified, the applicable procurement rules are applied to that transaction. The procurement of specific items may vary from year to year and within a fiscal year, making it difficult to plan the purchases. CPD applies the procurement authority provided in AR 4.12 to each individual**

transaction, not the cumulative spend during a designated period. The Purchasing and Finance Departments were contacted to obtain clarification regarding the authority provided in AR 4.12; however, the City Attorney's Office would be the best source to resolve the interpretation difference. \*\* (See attached memo dated July 16, 2014 from Bob Knowles, Accounts Payable Manager).

#### **4. Use of Vendor Invoice Numbers**

**Finding – The Police Department submitted accounts payable invoices with locally generated invoice numbers.**

**Recommendation – The Police Department should discontinue the practice of creating locally generated invoice numbers.**

Purchasing should incorporate language in each competitive bid process requiring unique invoice numbers. If a vendor invoice is incompatible with PeopleSoft, the Department should work with Purchasing and Finance to determine how to submit it.

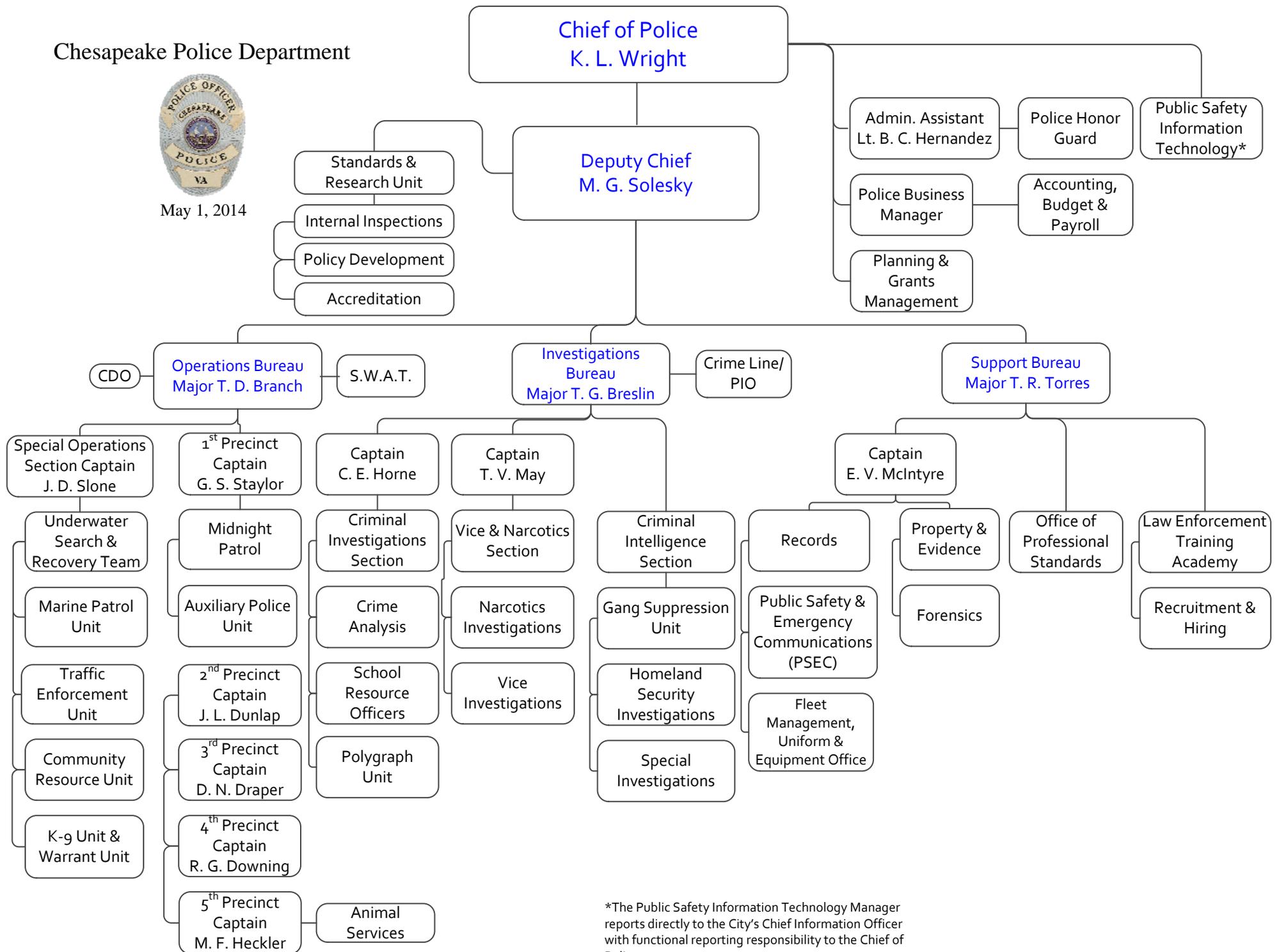
#### **Response:**

**A summary invoice is used to save time in processing invoices. A summary invoice may include payment for up to 20 individual invoices, greatly reducing the number of entries. Care is taken to prevent duplicate payments to each vendor; however, this method is not as reliable as entering unique invoice numbers for each vendor. \*\* (See attached memo dated July 16, 2014 from Bob Knowles, Accounts Payable Manager).**

# Chesapeake Police Department



May 1, 2014

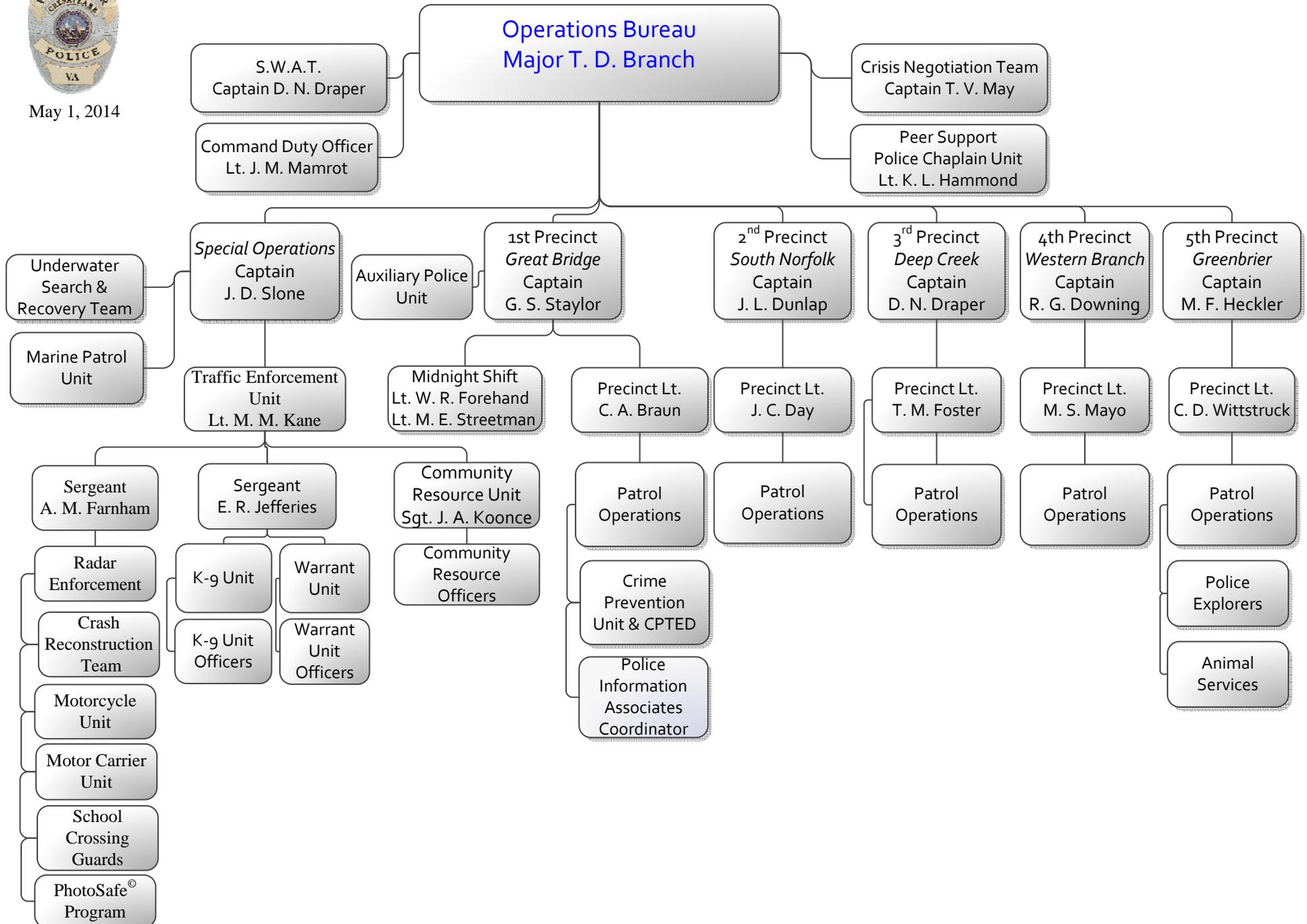


\*The Public Safety Information Technology Manager reports directly to the City's Chief Information Officer with functional reporting responsibility to the Chief of Police

# Chesapeake Police Department Operations Bureau



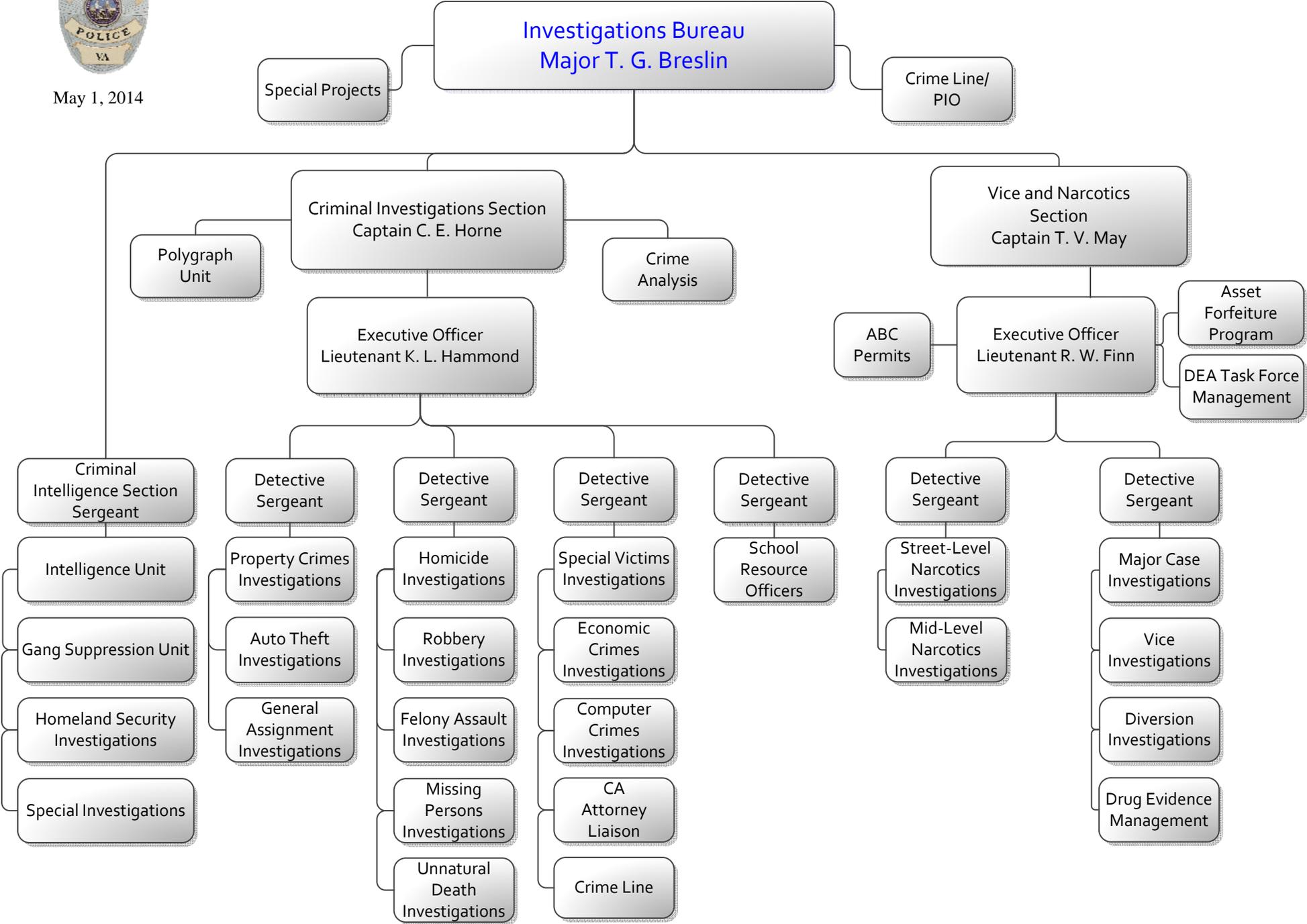
May 1, 2014



Chesapeake Police Department  
Investigations Bureau



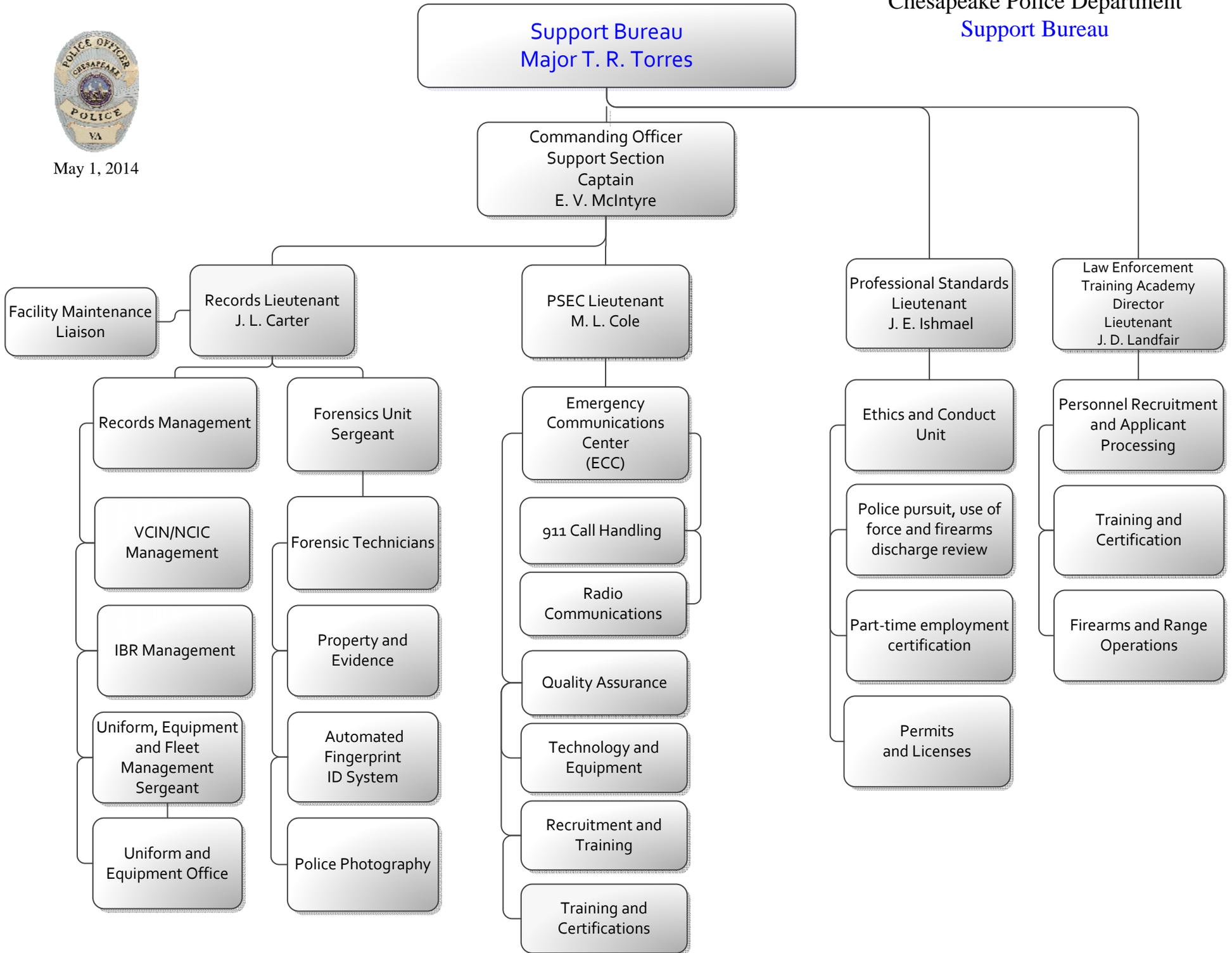
May 1, 2014





May 1, 2014

# Chesapeake Police Department Support Bureau



**MEMORANDUM**

**TO:** Accounts Payable Techs and Voucher Approvers  
**FROM:** Bob Knowles, Accounts Payable Manager  
**SUBJECT:** Combining of Invoices & Cum Annual Expenditures  
**DATE:** July 16, 2014



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**ONE INVOICE PER VOUCHER**

Due to the need for improved internal control and recent findings from Audit Services, multiple invoices can no longer be combined into one voucher. PeopleSoft requires unique invoice numbers from vendors - consequently accounts payable entries that have duplicate invoice numbers from a vendor are automatically rejected.

Recently, vendors whose invoices have been combined include:

- 1) Best Uniforms
- 2) Southern Police Equipment
- 3) Virginia Humaniteks
- 4) Quality Uniform
- 5) Affiliated Animal Care
- 6) Poutous Zoo Veterinary Services
- 7) Greenbrier Veterinarian
- 8) City of Portsmouth
- 9) HRSD

Please adhere to the policy of one unique invoice number per voucher submitted for all vendors. Finance will not approve vouchers with multiple invoices.

**CUMULATIVE ANNUAL EXPENDITURES OVER \$5000 NEED A PURCHASE ORDER**

Annual cumulative purchases for supplies, services or equipment that exceed \$5,000 with a single vendor requires the issuance of a Purchase Order (even if the vendor has an IDIQ). Not only is this required by City Ordinance, but adherence to the policy provides the available tools to monitor contractual spending limits and make future contracting decisions. Should you choose to use non-PO vouchers for any of the above vendors, please indicate in writing on the voucher that you have considered your annual spending amount with the vendor and it will be below \$5,000.