

## **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.

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.

## **Major Observations and Conclusions**

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.

### **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).