Final Audit Follow Up

As of September 30, 2000

CITY OF TALLAHASSEE

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"Report on Financial Controls Review in the Police Department"

(Report #9846, Issued September 30, 1998)

Report #0107 ***January 18, 2001***

Summary

This is the final follow up on the Report on Financial Controls Review in the Police Department (#9846). Management has addressed all findings and completed all applicable action steps. Issues relating to action steps no longer applicable are being addressed through the implementation of the PeopleSoft Time and Attendance System.

In report #9846, issued September 30, 1998, we made recommendations for improvement in two separate process areas at the Tallahassee Police Department (TPD). The first area was the payroll exception data collection process. Some of the concerns noted focused on defining user requirements for an automated time entry application, developing a time entry application and related user manual, and defining record retention requirements.

The other area where improvements were recommended was the security administration process for the purchasing system. These improvements included: determining which employees had purchasing authorization and reviewing, updating, and testing security access to the purchasing system.

Management completed all applicable tasks addressing the concerns noted in the audit. Tasks no longer applicable and not completed pertained to the implementation of a separate time entry application for TPD and development of a user manual for that application. Those tasks are being addressed through the current implementation of the City's PeopleSoft Time and Attendance System.

Scope, Objectives, and Methodology

Report #9846

The scope of report #9846 included a review of the processes that have a financial impact on TPD. Our primary objectives were to determine if:

- payroll transactions were processed completely and accurately and were valid/authorized transactions
- changes to payroll practices would improve internal controls and enhance the efficiency and effectiveness of the process
- procurement transactions were processed in accordance with TPD and City policy
- changes to procurement practices would improve internal controls and enhance the efficiency and effectiveness of the process
- Local Law Enforcement Block Grants were adequately monitored to ensure expenditures were appropriate and in compliance with grant requirements

In general, the audit identified opportunities to strengthen the security of the purchasing system and ensure the integrity of the payroll data collection process.

Report #0107

This report is the last follow up that will be performed on report #9846 and closes out that project. The purpose of this final audit follow up is to report on the progress and/or status of the

efforts to implement the recommended action plan steps. To obtain information, we conducted interviews with key department staff and reviewed and examined supporting documentation.

Background

TPD has two primary units that provide financial support to other divisions within the department. Both units report directly to the Police Chief. The first unit is the Financial and Supply Management Division. The primary functions of that division are procurement, supply management, and budget support.

The second unit is the Employee Resources Division. The primary functions of that division are hiring/termination support, grievance review, payroll processing and general personnel support for employees.

TPD is funded primarily through the General Revenue Fund. However, additional revenues are provided through the Airport Fund and Local Law Enforcement Block Grants.

Previous Conditions and Current Status

Report #9846 identified two primary areas in TPD that needed improvement. The two areas consisted of the payroll exception data collection process and the security administration process over the purchasing system.

The current status of tasks due is as follows:

Responsible Department	Total Tasks Due	Tasks Completed (Note 1)	Percent Completed
Information Services	2	2	100%
Police	12	12	100%
Procurement Services	7	7	100%
Totals	21	21	100%

Note 1: Tasks no longer applicable are considered completed in this table as the related issues are being resolved through alternative actions.

The current status of conditions identified in our previous report are shown in Table 1, as follows:

Table 1
Previous Conditions Identified in Report #9846 and their Current Status

Previous Conditions	Current Status
Payroll Issues	
• To ensure the payroll exception data collection process is efficient and effective, TPD should: ⇒ define the user requirements of an automated time entry application and the record retention requirements for hard copy and electronic media. ⇒ document and communicate requirements for TAC (Tactical Apprehension and Control) team membership, on-call payments, court appearance documentation, FTO (Field Training Officer) assignments, and compensatory time for uniformed personnel. ⇒ develop an automated time entry application, a user manual for the application, and a standard overtime slip that provides the time	✓ TPD established a record retention standard operating procedure, which became effective March 1999. Additionally, requirements for TAC team memberships, on-call payments, court appearance documentation, FTO assignments, and compensatory time for uniformed personnel were communicated in writing to all timekeepers and supervisors. TPD also established an overtime authorization form that captures the information necessary for automated time entry application. ★ A time entry application was developed by Information Systems Services (ISS) and presented to TPD on March 27, 2000. A user manual for that application was scheduled for completion by June 30, 2000. However, efforts to finalize the ISS-developed system

entry application with the necessary data requirements.	and develop the related user manual were terminated when implementation of the City's PeopleSoft Time and Attendance System at TPD was initiated. The proper implementation of the City's PeopleSoft Time and Attendance System should resolve the related issues.
Security Administration Issues	
• To ensure the integrity and security of the purchasing system as well as adequately segregate purchasing functions: ⇒ TPD should determine which employees require purchasing authority and communicate those results and any necessary deletions to Procurement Services. ⇒ Procurement Services should make changes to security access, notify department directors of employee access, change user passwords, review the security level for internal service and support departments to purchase outside their own cost centers, design and test security access, and prepare and implement a purchasing security policy.	✓ The employees requiring purchasing authority have been identified and communicated to Procurement Services. As a result, department directors have been notified of employee access, and user passwords have subsequently been changed. The number of internal service and support departments allowed to purchase outside their own cost centers was identified and limited to four departments. Additionally, a purchasing security policy was established that includes a process for designing and testing security access for the purchasing system.

Table Legend:

- • Issue addressed in the original audit
- ⇒ Issue sub-components
- ✓ Issue addressed and resolved
- ★ Issue addressed and being resolved through revised action

Significant Outstanding Issues

As this audit follow up period closes, appropriate steps have been and are being taken to resolve the audit issues identified in report #9846. The final issues are currently being addressed through the implementation of the City's PeopleSoft Time and Attendance System at TPD.

We would like to take this opportunity to express our appreciation to the Tallahassee Police Department and Procurement Services for their assistance and cooperation in the follow-up process.

Appointed Official Response

City Manager Response:

I would like to thank the Auditing Department for performing the Financial Controls Review requested by the Police Chief. One hundred percent of the 21 tasks identified in the audit have been completed, which has improved financial processes and internal controls. We appreciate the assistance and guidance provided by Auditing staff to the Police Department, Procurement Services, and Information Systems Services.

Copies of this Final Audit Follow Up or audit report #9846 may be obtained via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (dooleym@mail.ci.tlh.fl.us).

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