Office of Internal Audit

Post-Audit Review 14-03: Police Aircard Inventory Management

August 2015

City Auditor

Stan Sewell, CPA, CGFM, CFE

Internal Auditor

Pam Swinney, CPA

August 11, 2015

To: Mayor Andy Berke
        City Council Members

Subject: Post-Audit Review of Police Aircard Inventory Management (Report #14-03)

Dear Mayor Berke and City Council Members:

Attached is a summary report on the status of audit recommendations in our 2014 Police Aircard Inventory Management report. The purpose of this report is to confirm whether, and to what degree, management has implemented the recommendations made in the original audit.

The original audit concluded:

1. Wireless data device inventory and services lacked citywide oversight and accountability; and,

2. Effective inventory controls were needed to ensure City assets are safeguarded from theft and abuse.

The audit had 11 recommendations to address internal control deficiencies observed in aircard inventory management. At the time of this Post-Audit Review, six recommendations were not implemented, two were partially implemented, and three were implemented. Recommendations partially implemented and not implemented are herein reported to the Audit Committee for follow-up, as appropriate.

This Post-Audit Review consisted principally of inquiries of City personnel and examinations of various supporting documentation. It was substantially less in scope than an audit in accordance with generally accepted government auditing standards. The evidence obtained provided a reasonable basis for our conclusions; however, had an audit been performed, other matters might have come to our attention that would have been reported to you and our conclusions may have been modified.

Sincerely,

Stan Sewell, CPA, CGFM, CFE
City Auditor

Attachment

cc: Audit Committee Members
        Brent Goldberg, Chief Operating Officer
        David Carmody, Deputy Chief Operating Officer
        Fred Fletcher, Chief of Police
        Brent Messer, Chief Information Officer

RECOMMENDATIONS NOT IMPLEMENTED (6)

	Recommendation	Actions Taken
1	We recommended IT develop citywide policies and procedures for wireless data devices. Policy should consider: who should receive a data device; why it is necessary; IT's role and responsibilities. We recommended the policies be communicated to all departments and made available on the City's intranet.	The IT department is in the process of developing comprehensive technology use policies and procedures. It is unknown when the policies will be released.
2	We recommended Police develop written policies and procedures for managing its wireless device inventory. The written policies should ensure proper internal controls and should incorporate any related citywide policies.	The Police Department has not updated its wireless device inventory policies and procedures.
3	We recommended IT provide periodic usage analysis to each department. It should ensure individuals with oversight authority have access to the reports. The location of the report and authorized viewers should be communicated regularly to the departments.	As during the audit period, departments are provided a monthly worksheet that indicates the Verizon charges allocated to each department. The IT department has not provided any granular accounting of usage and billing to department heads.
6	We recommended IT develop effective monitoring procedures that ensure the City pays only the negotiated contract price. The formal policies and procedures should clearly define responsibilities of each department to ensure accountability and effective contract oversight.	The IT department is in the process of developing comprehensive technology use policies and procedures. It is unknown when the policies will be released.
10	We recommended Police investigate data devices currently on the billing statement to verify all devices are accounted for and properly assigned in its updated inventory listing.	Recently (July 2015), The Police Department provided a list of aircards to be disconnected. Review of the department's inventory records found those on the list were not assigned to any police personnel. However, further review of the recent Verizon billing statements found over one hundred (100) aircards assigned to Police that were not included on their inventory records.
11	We recommended Police surplus personal property in accordance with City policies.	Review of the disconnect file found none of the devices were properly surplused in accordance with policies and procedures.

RECOMMENDATION PARTIALLY IMPLEMENTED (2)

Recommendation	Actions Taken
4 We recommended Police periodically review their full roster of assigned data devices to determine whether they can deactivate those with no or minimal usage and whether all devices are assigned to current employees with a justified business need.	Recently (July 2015), The Police Department provided a list of aircards to be disconnected. Review of the department's inventory records found those on the list were not assigned to any police personnel. However, further review of the recent Verizon billing statements found over one hundred (100) aircards assigned to Police that were not included on their inventory records.
8 We recommended Police ensure personnel are performing, at a minimum, the annual physical inventory as required.	Although the Police Department has counseled personnel of the importance in performing annual physical inventory, the inventory listing did not include all aircards found on the billing statements (see Recommendation #4)

RECOMMENDATIONS FULLY IMPLEMENTED (3)

Recommendation	Actions Taken
5 We recommended IT analyze and recoup (or receive credit for) the over-billed service charges identified in the audit.	In November 2014, Verizon adjusted the City's bill for $48,800 in overcharges.
7 We recommended Police request the return of the missing iPads taken by retired employees and consult with the City Attorney regarding any legal actions City Administration deems necessary.	All iPads were returned to the City. According to the Police Department's IT division, the iPads no longer have cellular service but are assigned to various police personnel.
9 We recommended Police develop procedures to eliminate duplicate efforts when maintaining SME inventory.	The Police Department has updated the inventory process. Only the Technology Division of the Police Department updates the WASP inventory system.

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