

INTRADEPARTMENTAL CORRESPONDENCE

September 13, 2013
14.2

TO: The Honorable Board of Police Commissioners

FROM: Chief of Police

SUBJECT: CALIFORNIA WITNESS RELOCATION AND ASSISTANCE PROGRAM
AUDIT, (IAID No. 12-091)

RECOMMENDED ACTIONS

1. That the Board of Police Commissioners REVIEW and APPROVE the attached California Witness Relocation and Assistance Program Audit.
2. That the Board of Police Commissioners REVIEW and APPROVE the attached Executive Summary thereto.

DISCUSSION

Pursuant to the Annual Audit Plan, Fiscal Year 2012/2013, Internal Audits and Inspections Division completed the audit of the California Witness Relocation and Assistance Program in conformance with the mandates of the Los Angeles Police Department (Department) Manual and the Office of the Attorney General Witness Relocation and Assistance Program Manual to assess the Department's adherence to policies and procedures.

If you have any questions, please contact Gerald L. Chaleff, Special Assistant for Constitutional Policing, at (213) 486-8730 to provide any detailed information that may be required.

Respectfully,

A handwritten signature in black ink, appearing to be 'CB' with a stylized flourish extending to the right.

CHARLIE BECK
Chief of Police

Attachment

LOS ANGELES POLICE DEPARTMENT
***CALIFORNIA WITNESS RELOCATION AND
ASSISTANCE PROGRAM AUDIT***
(IAID NO. 12-091)



Conducted by
INTERNAL AUDITS & INSPECTIONS DIVISION

CHARLIE BECK
Chief of Police

August 2013

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CALIFORNIA WITNESS RELOCATION AND ASSISTANCE PROGRAM AUDIT

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EXECUTIVE SUMMARY
CALIFORNIA WITNESS RELOCATION AND ASSISTANCE PROGRAM AUDIT
Conducted by Internal Audits and Inspections Division

PURPOSE

Internal Audits and Inspections Division (IAID) conducted a California Witness Relocation and Assistance Program (CAL WRAP) Audit to determine whether the Los Angeles Police Department (Department) established adequate internal controls to manage the CAL WRAP expenditures and to determine if the Department adhered to those policies/procedures, as well as regulatory requirements. The information contained in this audit is intended to be used as a management tool to provide useful feedback to Department management, bureau commanding officers, and Fiscal Operations Division (FOD).

AUDIT SCOPE AND METHODOLOGY

Internal Audits and Inspections Division obtained a list of CAL WRAP cases from the District Attorney that closed between February 1, 2012 and July 31, 2012. This list identified a population of 42 Investigating Officers (IO). A stratified random sample yielded a sample of 33 IOs. Internal Audits and Inspections Division reviewed 33 CAL WRAP cases to ensure that CAL WRAP applications were properly authorized; all disbursed funds and supporting records were accounted for and were used for authorized purposes; the Department was reimbursed for the expenditures; and funds in Department custody were adequately secured.

Internal Audits and Inspections Division conducted this performance audit under the guidance of generally accepted government auditing standards, specifically pertaining to performing the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audits and Inspections Division has determined that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

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SUMMARY OF RESULTS

The objectives and findings for this audit are reflected in the table below.

TABLE NO. 1 – AUDIT OBJECTIVES AND SUMMARY OF FINDINGS

Objectives	2009/2010 Audit		Current Audit		% Change
Objective No. 1 – Authorization of California Witness Relocation and Assistance Program Application	100%	37/37	94%	31/33	-6%
Objective No. 2 – Reconciliation of Disbursed Funds	NA ¹		97%	32/33	NA
Objective No. 3 – Disbursements for Approved Purposes ²	100%	25/25	100%	33/33	0%
Objective No. 4 – Records Retention	92%	34/37	85%	28/33	-7%
Objective No. 5 – Outstanding Balance Report Issued to Chief of Detectives ³	100%	6/6	Yes		0%
Objective No. 6 – Reimbursement of California Witness Relocation and Assistance Program Expenses ⁴					
Objective No. 6a – Request for Reimbursement	97%	36/37	85%	28/33	-12%
Objective No. 6b – Required Receipts Submitted for Reimbursement	100%	36/36	91%	30/33	-9%
Objective No. 6c – Required 25 Percent Match Documents Submitted to Receive Full Reimbursement	100%	36/36	91%	30/33	-9%
Objective No. 6d – Reimbursement Received from the District Attorney	100%	36/36	97%	32/33	-3%
Objective No. 7 – Safeguarding of Assets ⁵	No		No		0%

This audit indicated that to a very large extent, the Department properly authorized CAL WRAP applications; properly maintained reconciliation of disbursed funds; properly disbursed funds for approved purposes; and received reimbursements from the District Attorney. However, the audit also indicated that not all CAL WRAP cases were retained as required, and a quarter of the requests for reimbursements were submitted late (risking the unavailability of funds). The audit also indicated that not all documents were located as required for full reimbursement.

ACTIONS TAKEN

Each of the Bureau Detective Coordinators was notified of the audit findings and each expressed general agreement. Detective Bureau reviewed this audit report and also expressed general agreement with the audit findings and conclusions. Office of Special Operations also received a copy of this report.

¹ This Objective was not tested in the prior audit.

² This was Objective No. 1(b) in the prior audit.

³ This was Objective No. 3 in the prior audit.

⁴ This was Objective No. 2 in the prior audit.

⁵ This was Objective No. 5 in the prior audit.

CALIFORNIA WITNESS RELOCATION AND ASSISTANCE PROGRAM AUDIT

Conducted by Internal Audits and Inspections Division

PURPOSE

Internal Audits and Inspections Division (IAID) conducted a California Witness Relocation and Assistance Program (CAL WRAP) Audit to determine whether the Los Angeles Police Department (Department) established adequate internal controls to manage the CAL WRAP expenditures and to determine if the Department adhered to those policies/procedures, as well as, regulatory requirements. The information contained in this audit is intended to be used as a management tool to provide useful feedback to Department management, bureau commanding officers and Fiscal Operations Division (FOD).

Internal Audits and Inspections Division conducted this performance audit under the guidance of generally accepted government auditing standards, specifically pertaining to performing the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audits and Inspections Division has determined that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

BACKGROUND

The CAL WRAP is a grant funded program that reimburses law enforcement agencies for witness relocations and assistance expenses. The program is designed to increase successful criminal prosecutions through the protection of witnesses and their families. The Los Angeles County District Attorney's Office (DA) administers the CAL WRAP within the County of Los Angeles. Agencies that are seeking reimbursement for witness protection expenses must apply with the DA and submit receipts and records in accordance with program requirements.

The following criteria must be met in order to obtain funds from CAL WRAP:

- A witness or family member has been threatened, or an actual threat to the safety of a witness or family member exists;
- Criminal charges have been filed, or there is a strong likelihood charges will be filed by the DA's Office against a defendant; and,
- The witness will be called or has been called to testify against the defendant.

Once the CAL WRAP application is approved by the DA's Office, the Investigating Officer (IO) presents the approved application to the Bureau Detective Coordinator (BDC) to receive the funds.

The BDC issues a check in the name of the IO or the party involved in the CAL-WRAP. The IO is responsible for *"keeping undisbursed funds in a safe location and in a manner consistent with Department protocol. Funds shall not be comingled nor placed into a personal bank account."*

It is the IO's responsibility to maintain all required documents and ensure they are forwarded to the BDC.

Once the CAL WRAP has concluded, the IO submits all the required documents to the BDC, who in turn submits all original documents to the DA's Office for reimbursement to the City.

The following is a list of required documents the BDC should maintain and ensure the originals are submitted to the DA's Office for reimbursement:¹

- Original lease/rental agreement;
- Original Acknowledgement for Receipt of Fund;
- Original receipts for other incurred costs; and,
- Original Law Enforcement Declaration 25 Percent Match Requirement.

PRIOR AUDITS

Internal Audits and Inspections Division had previously conducted a Witness Protection Program (WPP) Systems Audit in June 2010. The prior audit reported that Department standards were met in the areas of WPP Application Approval by the DA, Disbursements for Approved Purposes, Required Receipts Submitted for Reimbursement, Required 25 Percent Match Documents Submitted to Receive Full Reimbursement, Reimbursement Received from the DA, and Outstanding Balance Report Issued to Chief of Detectives. The audit also reported the Department required improvement in the areas related to Request for Reimbursement and Record Retention. Therefore, the following four recommendations were made in the prior audit.

1. Bureaus designate WPP coordinators to review and oversee witness protection activities. Additionally, Bureau coordinators would serve as centralized records retention administrators to comply with Department and DA policies.

Status: *Complete*. The Office of the Chief of Police issued a renamed and revised Special Order No. 2, dated January 10, 2012, to address this recommendation.

2. Fiscal Operations Division immediately separate cash handling, recording, and reconciliation duties.

Status: *Complete*. During this audit, IAID conducted a follow-up which determined that handling, recording, and reconciliation duties are performed by separate FOD employees.

¹ The BDC should submit the original receipts to the DA's Office within six months from the end date of the contract period. This was tested in Objective No. 6a.

3. Fiscal Operations Division immediately establish controls to secure the safe, including, but not limited to:

- Locking the safe when not in use; and,
- Implementing an access log.

Status: *Complete*. On June 10, 2010, FOD indicated that they obtained a keyed cabinet, each employee having his/her own key to access the cabinet, and a "Cash Box Access Log" had been implemented to account for access to the cabinet. Additionally, during this audit, IAID conducted a follow-up which determined that these procedures are still in place.

4. Department amend its WPP policy to require that the IO and a supervisor should be present when providing WPP money to the witness.

Status: *Complete*. The Office of the Chief of Police issued a renamed and revised Special Order No. 2, dated January 10, 2012, to address this recommendation.

SCOPE AND METHODOLOGY

Internal Audits and Inspections Division obtained a list of CAL WRAP cases from the DA that closed between February 1, 2012 and July 31, 2012. This list identified a population of 42 IOs. A stratified random sample yielded a sample of 33 IOs. Internal Audits and Inspections Division reviewed 33 CAL WRAP cases to ensure: CAL WRAP applications were properly authorized, all disbursed funds and supporting records were accounted for and were used for authorized purposes, the Department was reimbursed for the expenditures, and funds in Department custody were adequately secured.

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SUMMARY OF FINDINGS

Table No. 1 – Summary of Previous/Current Audit Findings

Objectives	2009/2010 Audit		Current Audit		% Change
Objective No. 1 – Authorization of California Witness Relocation and Assistance Program Application	100%	37/37	94%	31/33	-6%
Objective No. 2 – Reconciliation of Disbursed Funds	NA ²		97%	32/33	NA
Objective No. 3 – Disbursements for Approved Purposes ³	100%	25/25	100%	33/33	0%
Objective No. 4 – Records Retention	92%	34/37	85%	28/33	-7%
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Objective No. 6 – Reimbursement of California Witness Relocation and Assistance Program Expenses ⁵					
Objective No. 6a – Request for Reimbursement	97%	36/37	85%	28/33	-12%
Objective No. 6b – Required Receipts Submitted for Reimbursement	100%	36/36	91%	30/33	-9%
Objective No. 6c – Required 25 Percent Match Documents Submitted to Receive Full Reimbursement	100%	36/36	91%	30/33	-9%
Objective No. 6d – Reimbursement Received from the District Attorney	100%	36/36	97%	32/33	-3%
Objective No. 7 – Safeguarding of Assets ⁶	No		No		0%

DETAILED FINDINGS

Objective No. 1 – Authorization of California Witness Relocation and Assistance Program Application

Criteria

On January 10, 2012, Special Order No. 2 was issued to amend Department Manual Sections related to the CAL WRAP. One of the amendments includes Department Manual Section 3/355.30.

Department Manual Section 3/355.30 states, “*The DA’s CAL WRAP request has been revised to include a signature block for the commanding officer.*” It also indicates, “*The investigating officer shall obtain approval from the Commanding Officer ... then telephonically contact the Program Coordinator at the DA’s Office for initial approval to use the funds. Upon telephonic approval, the IO shall make an appointment to appear in person at the DA’s Program Coordinator’s office for written approval. Once written approval has been obtained, the IO shall transport the approved CAL WRAP Request to the BDC to obtain the fund.*”

² This Objective was not tested in the prior audit.

³ This was Objective No. 1(b) in the prior audit.

⁴ This was Objective No. 3 in the prior audit.

⁵ This was Objective No. 2 in the prior audit.

⁶ This was Objective No. 5 in the prior audit.

Procedures

Of the 33 CAL WRAP applications reviewed, two were opened after January 2012, and were subject to the revised DA's CAL WRAP request form. Internal Audits and Inspections Division reviewed the two CAL WRAP applications to ensure proper approval by the commanding officer (CO), and the DA or judge.

Findings

Thirty-one (94%) of the 33 CAL WRAP applications were approved by the DA. The remaining two (Pacific Area and Robbery-Homicide Division) CAL WRAP applications did not contain the CO's approval as required by the new policy effective January 2012.

It should be noted that prior to the January 2012 amendment of Department policy, only the DA was required to approve the CAL WRAP applications. After January 2012, the DA and Area CO are both required to approve the CAL WRAP applications.

Objective No. 2 – Reconciliation of Disbursed Funds

Criteria

Department Manual Section 3/355.30 states, "...*Submit all original receipts and documents to the BDC within 30 calendar days...*" Moreover, standard bookkeeping practices require the reconciliation of disbursements supported by such receipts.

Procedures

Internal Audits and Inspections Division reviewed the 33 CAL WRAP disbursements to ensure reconciliation with Monthly Reports of Secret Service Funds and Quickbooks Receipts and Disbursements reports.

Findings

Thirty-two (97%) of the 33 CAL WRAP cases had disbursements that reconciled with FOD's Monthly Reports of Secret Service Funds and Quickbooks Receipts and Disbursements reports. For the remaining case (Newton Area), an amount of \$1,525.00 was returned to FOD on May 14, 2012, and reconciled with the Quickbooks report. However, it did not reconcile with the Monthly Report of Secret Service Funds which indicated \$5,300.00.

Fiscal Operations Division advised on April 30, 2013, that the Quickbooks Receipts and Disbursements report reflected the correct amount of \$1,525.00, which indicated that the error was corrected.

Objective No. 3 – Disbursements for Approved Purposes

Criteria

The CAL WRAP Manual Section entitled Witness Assistance Services states, “*The CAL WRAP will reimburse local and state prosecutorial offices for costs associated with qualified services determined necessary to protect a witness from retaliatory acts of violence and otherwise assure the health, safety and welfare of the witness while they participate in the program (Penal Code §14024). The following services qualify for reimbursement:*

- *Armed protection or escort by law enforcement officials;*
- *Physical relocation to an alternate residence;*
- *Housing expense;*
- *Identity change;*
- *Transportation or storage of personal possessions;*
- *Basic living expenses;*
- *Support, advocacy and other services to provide witnesses’ safe transition into a new environment; and,*
- *Other services as needed and approved by the Attorney General.”*

Furthermore, it states that, “*The following services are not covered:*

- *Financial obligations and prior debts of the witness or family members;*
- *Child and/or spousal support;*
- *Equipment purchases for the maintenance and/or protection of a witness;*
- *Cell phones or pagers (Disposable cell phones will be allowed);*
- *Attorney fees (except those related to identity changes);*
- *Damages to hotels/motels or rental property caused by witnesses;*
- *Purchase of security systems; and,*
- *Purchase of real property.”*

Procedures

Internal Audits and Inspections Division reviewed the expense receipts incurred for each of the 33 CAL WRAP cases reviewed to determine whether they were for authorized CAL WRAP activities.

Findings

Each (100%) of the 33 CAL WRAP cases contained receipts for authorized activities.

Objective No. 4 – Records Retention

Criteria

Department Manual Section 3/355.30, which states “*The Bureau Detective Coordinator Shall: ...Retain a copy of all CAL WRAP documents...Oversee witness relocation activities.*”

Prior to January 10, 2012, Department Manual Section 3/355.30 stated “*The commanding officer, upon receipt and expenditure of Secret Service funds, shall...Retain a copy of the completed DA’s CAL WRAP request form, an itemized list of expenditures, and all related receipts for the file.*”

Procedures

Of the 33 CAL WRAP files reviewed, two were opened after January 2012, and subject to the new policy which requires the files to be retained by the BDC. However, BDCs were set up to conduct their BDC duties in June 2012, when FOD provided them with their own bank account for CAL WRAP-related activities. Internal Audits and Inspections Division obtained the two CAL WRAP files from the IO rather than the BDC. The audit indicated that the bureaus were not set up to conduct their duties until after June 2012. The remaining 31 CAL WRAP files reviewed were subject to the prior policy which required the files to be retained by the Area CO responsible for the CAL WRAP case.

Findings

Twenty-eight (85%) of the 33 CAL WRAP case files were properly retained by the Department. Of the five CAL WRAP files that did not meet the standards, two cases opened after January 2012, and were obtained from the IO rather than the BDC, and the remaining three files could not be located.⁷

Prior to the January 2012 amendment of Department policy, there was inconsistency within the Department regarding the maintenance of the CAL WRAP case files. Of the 31 CAL WRAP cases subject to the prior policy, three could not be located for review and the remaining 28 were obtained from the IO or an Area/division Detective Coordinator.⁸

⁷ The two CAL WRAP cases retained by the IO rather than the BDC were from the following Areas/divisions: Pacific (1), and Robbery-Homicide (1). The three CAL WRAP cases that could not be located were from the following Areas/divisions: Hollenbeck (1), Wilshire (1), and Foothill (1).

⁸ The three CAL WRAP cases not available for review were from the following Areas/divisions: Hollenbeck (1), Wilshire (1), and Mission (1). However, copies of these cases were obtained from the DA’s Bureau of Administrative Services to complete the audit review for the remaining objectives.

Objective No. 5 – Outstanding Balance Report Issued to Chief of Detectives

Criteria

Detective Operations Manual Vol. 2/2000.50 states, “*Fiscal Operations Division will follow-up with the IO on outstanding past due amounts and produce monthly reports for the Chief of Detectives. Past due witness protection funds are reported at COMPSTAT Inspections.*”

Procedures

Internal Audits and Inspections Division contacted Detective Bureau (DB) to determine whether follow-up efforts were being conducted to bring outstanding past due amounts current.

Findings

Follow-up efforts for outstanding past due amounts are handled by DB. On a quarterly basis, FOD provides DB with an aging report with past due amounts regarding CAL WRAP cases.

Monthly follow-ups for outstanding past due amounts are handled by the BDCs, wherein, FOD follows-up with the BDCs on outstanding past due balances. The BDCs receive a Microsoft Excel spreadsheet, via e-mail, with their respective Area/division’s past due amounts. The BDCs then contact the CAL WRAP detective coordinator in each Area/division for an update on the past due amount. The follow-ups with the Area/divisions occur prior to a COMPSTAT meeting to provide the most current information to Department management.

Table No. 2 – Objective No. 5 Detailed Findings

Area/Division	Balance Due to FOD as of Start of Audit	DA Closed Case on:	Reason for Balance Due
Rampart Area	\$1,700.60	2/15/12	Late submission of additional receipts. The DA disbursed a second reimbursement check to the Department during the audit.
77 th Street Area	\$1,236.18	5/7/12	Unused funds that were not immediately returned to FOD.
Criminal Gang and Homicide Division-1	\$4,310.96	6/26/12	Unused funds that were not immediately returned to FOD.
Criminal Gang and Homicide Division-2	\$3,187.40	3/5/12	Unused funds that were not immediately returned to FOD.

**Objective No. 6 – Reimbursement of California Witness Relocation and Assistance
Program Expenses**

Objective No. 6a – Request for Reimbursement

Criteria

The California Witness Relocation and Assistance Program Manual Section entitled, *Reimbursement Process/Termination of Cases* states that, “*The program may terminate any case where there has been no reimbursement request forwarded from the originating agency for six months or more. This policy assures the availability of funds for other witness protection cases.*”

Procedures

Internal Audits and Inspections Division reviewed the CAL WRAP requests for reimbursement to determine whether they were submitted to the DA within six months from the end date of the CAL WRAP contract period.

Findings

Twenty-eight (85%) of the 33 CAL WRAP cases contained requests for reimbursement that were submitted to the DA within six months from the end date of the CAL WRAP contract period. The remaining five contained requests that were submitted up to 12 months late.⁹

Objective No. 6b – Required Receipts Submitted for Reimbursement

Criteria

Department Manual Section 3/355.30 states, “...*Submit all **original** receipts and documents to the BDC within 30 calendar days...*” Additionally, the BDC is required to forward original receipts to the DA for reimbursement.

Procedures

Internal Audits and Inspections Division reviewed the CAL WRAP requests for reimbursement that were submitted to the DA to determine whether all claimed witness relocation and assistance expenses were supported by receipts.

Findings

⁹ The five CAL WRAP cases that contained requests for reimbursement submitted beyond six months were from the following Area/divisions: Hollenbeck (1), Pacific (1), Southeast (1), Criminal Gang and Homicide (1), and Robbery-Homicide (1). Although they were not submitted in a timely manner, they were reimbursed to the Department.

Thirty (91%) of the 33 CAL WRAP cases contained receipts supporting the witness expenses claimed. The remaining three cases were missing one or more receipts totaling \$6,965.93 of unsupported expenses.¹⁰

Objective No. 6c – Required 25 Percent Match Documents Submitted to Receive Full Reimbursement

Criteria

To receive full reimbursement, the DA requires a 25 percent match of the requested reimbursement total from the requesting agencies. Acceptable matches are in-kind agency services and witness care expenses. A “Law Enforcement Declaration 25 Percent Match Requirement” form detailing contributions for the match requirement must be completed and submitted to the DA.¹¹ It is important to note that when the 25 percent match requirement is not met, the DA does not reimburse the Department for the amount short of the 25 percent match and the Department, therefore, incurs the cost.¹²

Procedures

Internal Audits and Inspections Division reviewed the CAL WRAP requests for reimbursement submitted to the DA to determine whether the “Law Enforcement Declaration 25 Percent Match Requirement” form and log were completed and attached.

Findings

Thirty (90%) of the 33 CAL WRAP requests for reimbursement contained the “Law Enforcement Declaration 25 Percent Match Requirement” form and log. Of the remaining three requests, one did not contain the declaration form, one did not contain the log, and one did not meet the 25 percent match requirement.¹³

In regard to the request for reimbursement that did not meet the 25 percent match requirement, the IO did not provide enough hours of in-kind services per the 25 percent match log. As a result, the Department incurred a total loss of \$1,846.78.

¹⁰ The three CAL WRAP cases missing one or more receipts were for the following Areas/divisions: Hollenbeck (1), Foothill (1), and Criminal Gang and Homicide (1). These receipts were not found.

¹¹ The “Law Enforcement Declaration 25 Percent Match Requirement” form requires the IOs to match 25 percent of the total reimbursement request for a CAL WRAP case. To meet the 25 percent match, the IOs must log their regular and overtime hours worked on their CAL WRAP case and quantify these hours using predetermined salary rates varying by rank. The predetermined salary rates are defined by the DA.

¹² See the California Witness Relocation and Assistance Program Manual, dated July 2011.

¹³ The three CAL WRAP cases not meeting the standards were from the following Areas/divisions: Rampart (1), Hollenbeck (1), and Robbery-Homicide (1).

Table No. 3 – Required 25 Percent Match Documents

Area/Division	Reimbursement Amount Requested	In-kind Services Required (25 Percent of Amount Requested)	In-kind Services Rendered	Percent of In-kind Services Rendered	Amount short of 25 Percent Requirement
Robbery-Homicide Division	\$21,443.55	\$5,360.89	\$3,514.11	16%	\$1,846.78

Objective No. 6d – Reimbursement Received from the District Attorney**Criteria**

Department Manual Section 3/355.3 states, *“Upon receiving the reimbursement from the DA’s Office, immediately return the funds to the appropriate Secret Service Fund. If funds were obtained from FOD, a telephonic notification of the reimbursement shall be made to the concerned bureau.”*

Procedures

Internal Audits and Inspections Division reviewed the 33 CAL WRAP requests for reimbursement submitted to the DA to determine whether reimbursements were received in full and deposited into the Department’s secret service fund bank account.

Findings

Thirty-two (97%) of the 33 CAL WRAP cases included a full reimbursement from the DA which was received by FOD to deposit into the Department’s secret service bank account. The remaining case (Rampart Area) showed a “balance due” status in FOD’s database totaling \$1,700.60.

The audit indicated that the IO of this case did not submit all required receipts on the first reimbursement request. The IO then submitted a second reimbursement request to the DA for the \$1,700.60 which was reimbursed by the DA and received by FOD during the audit fieldwork on March 1, 2013. This second DA reimbursement resolved the outstanding balance due to FOD.

Objective No. 7 – Safeguarding of Assets**Criteria**

Best practice requires proper control over monetary funds, including the cash safe, and segregation of duties.

Procedures

Internal Audits and Inspections Division interviewed key FOD employees and conducted a walk-through to assess the internal controls over CAL WRAP funds and the cash safe. Internal Audits and Inspections Division also determined whether funds maintained at the bureau level were properly secured.

Findings

An FOD supervisor was interviewed on January 28, 2013, by IAID, who conducted a “walk-through” of the internal controls over CAL WRAP funds and the cash safe. The audit confirmed that FOD has implemented a segregation of duties, wherein, separate persons are conducting the duties of cash handling, recording, and reconciliation. A visual observation was also conducted of the petty cash box and Cash Box Access Log. The petty cash box is locked and located inside a secured room which has “limited access” within the Travel/Revenue Section. Currently, FOD only has one key that is located at the secretary’s desk. Fiscal Operations Division has ordered six additional keys for distribution to the OIC and five other employees whose duties require them to frequently access the petty cash box. The Cash Box Access Log is located within the locked room. When personnel open the petty cash box, they must sign in on the Cash Box Access Log.

Of the four geographic bureaus and Detective Bureau, only Operations - South Bureau maintained CAL WRAP case files that were reviewed for this audit. However, during a physical observation at Operations - South Bureau, IAID determined an absence of sufficient controls to safeguard the CAL WRAP case files. Overall, based on discussions with BDCs, it appears that a formal process has not yet been established that allows each BDC to create a system designed to maintain the confidentiality and sensitivity of each CAL WRAP case file.

ACTIONS TAKEN

Each of the BDCs was notified of the audit findings and each expressed general agreement. Detective Bureau reviewed this audit report and also expressed general agreement with the audit findings and conclusions. Office of Special Operations also received a copy of this report.