

TO MAYOR/COUNCIL FYI
Date 7/1/20 By M Teixeira



BUDGET & MANAGEMENT STUDIES

DATE: June 29, 2020

TO: MAYOR LEE BRAND
COUNCIL PRESIDENT MIGUEL ARIAS
CITY COUNCIL MEMBERS

THROUGH: WILMA QUAN, City Manager

FROM: HENRY FIERRO, Budget Manager *H.F.*

SUBJECT: RESPONSE TO COUNCIL DIRECTION No. 44 – REQUEST REPORT
OF PRIOR FINANCIAL AUDIT FINDINGS FOR PD.

During the Budget Hearing on June 15, 2020, Council President Arias requested the results of Police Department financial audit. The following memo by the Finance Department addresses the requested information.

C: Jane Sumpter, Assistant City Manager
Jim Schaad, Assistant City Manager
Tim Orman, Chief of Staff
Michael Lima, Finance Director/Controller
Andrew Hall, Police Chief
Rene Watahira, Administrative Manager
Pedro Rivera, Principal Budget Analyst



DATE: June 18, 2020

TO: HONORABLE MAYOR LEE BRAND
COUNCIL PRESIDENT MIGUEL A. ARIAS
COUNCIL MEMBERS

THROUGH: WILMA QUAN, City Manager
Office of the Mayor & City Manager

THROUGH: HENRY FIERRO, Budget Manager
Budget & Management Studies Division

FROM: MICHAEL LIMA, Finance Director/Controller
Finance Department

A handwritten signature in blue ink, appearing to be "M Lima", with a long, sweeping flourish extending upwards and to the right.

SUBJECT: POLICE DEPARTMENT PAYROLL AND WORK PERMITS AUDIT

In FY19, the City's Internal Audit Unit (Unit) performed an audit of the Police Department's payroll process and work permit usage. The findings from the audit were detailed in a report released to the Audit Sub-Committee and the public on June 13, 2019.

According to the City's Administrative Order 1-10, Internal Audit may conduct a follow-up review 6-12 months after the final audit report date. The follow-up review determines the status of the audit recommendations implemented by the Department. Per the audit report and the transmittal that accompanied the report, there was no commitment to produce a follow-up report discussed in either of the documents.

To date, Internal Audit has not begun a follow-up on the Police Payroll and Work Permit audit. They are currently in the process of finalizing both the Public Works-Project Management and Fire Overtime reports. In addition, they are performing a follow-up audit on the Transitional Review of Parking Services audit. Lastly, they are analyzing all the departmental CARES claims. If a follow-up to the Police Department Payroll and Work Permits audit is needed, they will not be able to address it until the fall.

Please feel free to contact me if you have any questions regarding the Police Department Payroll and Work Permits audit and the possibility of a follow-up report.