

Memorandum



CITY OF DALLAS

DATE: November 12, 2004

TO: Honorable Mayor and Members of the City Council

SUBJECT: Follow-up report on the August 1, 2003, *Audit of the Dallas Police Department Home Storage Vehicle Program*-- Report #386

We conducted this follow-up audit under the authority of Chapter IX of the City Charter and according to applicable government auditing standards. We included tests of records and reviews of program guidelines and procedures that we considered necessary in the circumstances. Our objective was to determine whether management had implemented the audit's recommendations or taken other acceptable actions to remedy the control weaknesses identified in the original audit report.

The original audit contained two findings with five recommendations. Management has implemented four of them and partially implemented one.

1. The cost effectiveness of the Home Storage Vehicle program (HSV) is not substantiated, the documentation authorizing the use of HSV is incomplete, and the type of HSV assigned to civilian staff is questionable. We recommended that the Police Chief:

- A. Determine whether all HSV assignments are necessary and provide a cost benefit to the City by stating and analyzing the definitive use, actual and anticipated number of uses, and the frequency of use for each HSV. Ensure that an accurate, complete, and properly approved Home Storage (Overnight) Authorization of City Vehicle form is on file for each HSV participant by conducting and documenting periodic reviews of department records no less often than quarterly **(Implemented)**.

Management evaluated all HSV participants based on newly completed forms, and periodically reviews them for changes.

- B. Coordinate with the EBS director to ensure that EBS maintains a continuous record of all DPD storage authorizations. Document coordination efforts **(Implemented)**.

Management coordinates with EBS by e-mail to ensure it has current records on HSVs.

- C. Coordinate with the Controller's Office to determine which employees are subject to the IRS Commuting Rule and, therefore, must be charged income for the HSV use. Document coordination efforts **(Implemented)**.

Management coordinates with the Controller's Office on the one employee subject to the IRS Commuting Rule, and documents the process.

2. HSV Administrative Directive (AD) compliance and monitoring needs improvement. We recommended that the Police Chief:

- A. Ensure that every member of the HSV program adheres to AD provisions by performing and documenting periodic reviews, employing due diligence to document employee residence, and recording approval of storage at other City sites. Reviews should be conducted no less often than quarterly **(Partially implemented)**.

Management is reviewing employee residence, recording approval of storage at other City sites, and reviewing this information quarterly; but they are adhering to a draft AD (6-2), not the AD that is currently in effect (6-3).

- B. Establish and employ quantifiable methods to demonstrate that employees do not use their HSVs excessively or for personal use when prohibited. Quantifiable data should include total miles from home to work. All periodic reviews should be documented, and the DPD should designate individuals that would be responsible for ensuring compliance **(Implemented)**.

Management is using quantifiable methods to show actual use in order to minimize personal or other prohibited use (see A above for review efforts).

We appreciate management's cooperation in this follow-up. If you have any questions, please call me at 670-3223.

Paul Garner

Paul Garner
Assistant City Auditor

c: David Kunkle, Chief of Police