



**SUFFOLK COUNTY
OFFICE OF THE COMPTROLLER
AUDIT DIVISION**

**John M. Kennedy, Jr.
Comptroller**

**An Audit of the
Suffolk County Police Department's Departmental Bank Accounts
For the Period
January 1, 2015 through December 31, 2015**

**Report No. 2017-02
Date Issued: February 28, 2017**

**SUFFOLK COUNTY
OFFICE OF THE COMPTROLLER**

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EXECUTIVE SUMMARY

Introduction:

The Suffolk County Comptroller's Office has reviewed all departmental bank accounts of the Suffolk County Police Department (Department) for the period January 1, 2015 through December 31, 2015.

Purpose:

The purpose of our review of the Department's departmental bank accounts was to determine if the Department complied with certain requirements of laws, regulations and Suffolk County Standard Operating Procedures (SOPs) applicable to departmental bank accounts and to review and test internal controls applicable to those bank accounts.

Summary of Significant Findings:

- The Department did not always comply with the requirements contained in the resolutions governing the Special Services, Travel Advance and Travel Expense Imprest Funds.
- The Department did not perform proper reconciliations of the Special Services, Travel Advance and Travel Expense Imprest Funds, as required by SOP D-03.
- The Department did not request written approval from the Department of Finance and Taxation (Finance and Taxation) to obtain credit cards, as required by SOP D-08. (Effective 1/1/16 the Department of Finance and Taxation became the Division of Finance and Taxation under the Department of Audit and Control in accordance with Resolution 517-2015.)
- There is a lack of segregation of duties related to the Department's credit card use, statement reconciliation and approval and payment processing, resulting in an increased risk that defalcation could occur without detection. In addition, the lack of segregation of duties does not comply with the procedures for issuing checks contained in SOP D-08.
- The Department did not perform reconciliations of the departmental bank accounts during the audit period, as required by SOP D-08.
- Revenues were not always submitted to Finance and Taxation ten days after the end of the month or sooner, as required by SOP D-08.
- The Department did not comply with the provision contained in SOP D-08 which requires departments to deposit all proceeds within twenty-four hours of receipt.

- The Department did not cancel checks which were outstanding for more than one year in accordance with New York State General Municipal Law.
- The Department's Finance Section could not provide the SCIN Form 66 (3/76), "Petty Cash Record" for the General Petty Cash Fund and receipts for the disbursements made from the fund were not attached to SCIN Form 64 (2/76), "Petty Cash Voucher," as required by SOP D-03.
- The Department did not submit SCIN Form 216, "Annual Statement of Compliance with SOP D-08," to Finance and Taxation by January 31st as required by SOP D-08.

Summary of Significant Recommendations:

- The Department should comply with all requirements contained in the resolutions governing the Special Services, Travel Advance and Travel Expense Imprest Funds.
- The Department should comply with all requirements contained in SOP D-03, including performing proper reconciliations of all special imprest and petty cash funds and utilizing the required forms.
- The Department should always request written approval from the Department of Audit and Control prior to obtaining any credit cards.
- The Department should ensure that the duties related to the Department's credit card use, statement reconciliation, approval and payment processing are properly segregated in accordance with the procedures pertaining to check issuance contained in SOP D-08.
- The Department should comply with all requirements pertaining to collecting and depositing funds, remitting revenues to Finance and Taxation, reconciling bank accounts and submissions of the annual statement of compliance contained in SOP D-08.
- The Department should investigate all checks that remain outstanding after six months of issuance and cancel all checks that remain outstanding for more than one year in accordance with the provisions contained in New York State General Municipal Law Article 2 § 21.
- The Department should perform a review of the Travel Advance Fund documentation for periods prior to the audit period to determine if there are additional travel advances that were not reimbursed.

BACKGROUND

The Suffolk County Police Department (Department) was established in 1960 and is the largest accredited municipal agency in New York State. John L. Barry Police Headquarters is located at 30 Yaphank Avenue, Yaphank, NY 11980. The Department provides all police services for the Suffolk County Police District, comprised of the five western towns of Babylon, Brookhaven, Huntington, Islip and Smithtown. In addition, the Department provides various services for eight unincorporated villages within the five western towns which maintain their own police departments, as well as for the eleven town and village police departments located in the five eastern towns of the county. The Department's mission is to provide and maintain a safe and peaceful environment in which people can live and work by rendering aid to those in need, providing an environment free from fear, bringing to justice those who violate the law and protecting all persons and property in accordance with legal, moral and ethical standards.

The Department maintained fourteen departmental bank accounts during the audit period, including two petty cash accounts and three imprest funds for Special Services, Travel Advance and Travel Expense. A separate audit report will be issued regarding the departmental bank accounts maintained by the Department's Property Bureau.

SCOPE AND METHODOLOGY

The scope of this audit is all departmental bank accounts maintained by the Department during the period January 1, 2015 through December 31, 2015.

We conducted our performance audit in accordance with generally accepted government auditing standards, except for the external peer review requirement. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

- Reviewed relevant Suffolk County, NYS General Municipal, County and Public Officers Laws, Suffolk County Resolutions and Suffolk County Standard Operating Procedures (SOPs).
- Sent bank and credit card account questionnaires to the Department and performed an analysis of the Department's responses.
- Conducted interviews of Department personnel as deemed necessary to obtain an understanding of the procedures used to record and process revenue remittances to the Department of Audit and Control
- Interviewed Department personnel responsible for the duties related to the Department's credit card use, statement reconciliation and approval and payment processing to obtain an understanding of the processes and internal procedures employed by the Department.
- Conducted interviews of Department personnel to gain an understanding of the purposes and check issuance procedures for the various departmental accounts.
- Interviewed personnel from Audit and Control who are responsible for handling the Department's petty cash accounts.
- Interviewed personnel from Finance and Taxation who are responsible for handling the Department's financial accounts.
- Obtained a Quarterly Status Report of Departmental Financial Accounts and 2015 Petty Cash Balances Report from Finance and Taxation.
- Judgmentally selected a sample of disbursements from the Revenue Account for testing to ensure funds were not misappropriated.
- Randomly selected a sample of disbursements from the Commissioner's Special Fund for testing to ensure funds were not misappropriated.

- Performed reconciliations of the Special Services, Travel Advance and Travel Expense Imprest Funds.
- Performed surprise cash counts and reconciliations of the District and General Petty Cash Funds.
- Conducted surprise cash counts of the Special Services Fund cash maintained by the Precincts, Chief of Detectives and Narcotics Bureau.
- Performed testing procedures for a random selection of revenue transactions and other deposits processed from January 1, 2015 through December 31, 2015.
- Performed testing procedures as deemed necessary for all revenue remittances submitted to Finance and Taxation from January 1, 2015 through December 31, 2015.
- Judgmentally selected six bank accounts and performed one bank reconciliation for each account.
- Performed testing procedures on the Special Services, Travel Advance and Travel Expense Imprest Funds to ensure compliance with their respective governing resolutions.
- Performed an analysis of checks paid from the Travel Advance Account to ensure that the account was used for its intended purpose.
- Expanded testing on credit card transactions associated with the Travel Expense Imprest Fund in order to determine if the credit cards were used for purchases that were not made in accordance with SOP I-12, "Direct Purchase Procedures."
- Determined if the Department complied with all requirements of SOP D-08.

AUDIT FINDINGS

The Department did not always comply with the requirements contained in the resolutions governing the Special Services, Travel Advance and Travel Expense Imprest Funds. Our audit testing revealed the following:

- Two of the three bank accounts (67%) associated with a special imprest fund are not titled in accordance with the governing resolution. The Special Services Fund, established by Resolution No. 244-1965, is titled Commissioner's Special Fund and the Travel Expense Fund, established by Resolution No. 1368-2006, is titled Credit Card Account.
- The Travel Expense Fund is authorized for payment of expenditures directly related to out-of-county travel; however, the fund was used for payment of credit card purchases not related to any type of travel expense. In addition, the fund consistently exceeded the \$20,000 authorized balance.
- There were several instances in which the Travel Advance Fund, governed by Resolution No. 141-1991, which authorizes advances for travel costs while awaiting reimbursement for travel expenses through normal channels, was used for conference or training fees subsequently reimbursed with asset forfeiture funds.

The Department did not perform proper reconciliations of the Special Services, Travel Advance and Travel Expense Imprest Funds, as required by SOP D-03. The Department could not provide any documentation to support the items included in the outstanding balance reported on the SCIN Form 65 (2/76), "Petty Cash Reconciliation," submitted to Audit and Control for the Travel Advance and Travel Expense Funds. In addition, the checkbook balance reported for the Special Services Fund was adjusted without having a proper reconciliation performed in order to arrive at the authorized fund balance. Our reconciliations of the imprest funds revealed the following:

Travel Advance Fund

- The Department co-mingled \$1,000 in funds from another imprest fund into the Travel Advance Fund.
- Advances are not returned in a timely manner. A \$160 travel advance disbursed in 2014 was never returned. In addition, there were two advances disbursed in March 2015: \$100 and \$50, which were still outstanding December 31, 2015.
- The fund has a shortage of approximately \$5,200 after the return of the \$1,000 in co-mingled funds to the proper fund. Based on our finding noted above, the shortage may be the result of travel advances made to employees that did not return the advance when reimbursement for the travel expenses was received.

Travel Expense Fund

- The Department co-mingled \$14,000 in funds from another imprest fund into the Travel Expense Fund. The transfer occurred approximately ten years ago; however, to date the funds continue to remain in the Travel Expense fund.
- The fund has an overage of approximately \$1,900 after the return of the \$14,000 in co-mingled funds to the proper fund.

Special Services Fund

- The Narcotics Section has been carrying a \$515 overage and the checkbook balance was intentionally understated \$57, resulting in a fund overage of \$572.

The Department did not request written approval from the Department of Finance and Taxation¹ to obtain credit cards, as required by SOP D-08. The Department obtained four Citibank Corporate Card accounts, with numerous members on each account, without obtaining prior written approval from the Department of Finance and Taxation. Although we cannot confirm when the Department obtained the credit cards, based on documents we reviewed, it appears they were obtained sometime in 2007.

There is a lack of segregation of duties related to the Department's credit card use, statement reconciliation and approval and payment processing, resulting in an increased risk that defalcation could occur without detection. In addition, the lack of segregation of duties does not comply with the procedures for issuing checks contained in SOP D-08. Our interviews regarding credit card procedures and a review of payment vouchers submitted to the Department of Audit & Control revealed that in order to pay the credit card bills, checks on the Travel Expense Account are issued and signed by employees who are involved in the reconciliation of the credit card statement, have access to the credit cards, have authority to add and delete card holders and prepare and authorize the payment vouchers submitted to Audit & Control to replenish the fund.

The Department did not perform reconciliations of the departmental bank accounts during the audit period, as required by SOP D-08. SOP D-08 requires that reconciliation of bank accounts be performed within 30 days of receiving the bank statement; however, it appears there were no reconciliations of the accounts performed in 2015 until notification regarding our audit of the bank accounts was received. As a result, errors went undetected for over a year and incorrect checkbook balances were reported on SCIN Form 65 (2/76), "Petty Cash Reconciliation," submitted to Audit & Control. Our audit testing revealed the following:

¹ As of January 1, 2016, the Department of Finance and Taxation was merged with the Department of Audit and Control.

- Reconciliations for the District Petty Cash account were dated December 27, 2015 or later, for all months except January, which was not dated.
- The Department could not provide a detailed schedule of outstanding checks for the District Petty Cash account; therefore, we were unable to perform an accurate reconciliation of the account.
- In January 2016, reconciling adjustments were recorded in the Travel Advance and Credit Card account checkbooks to adjust recording errors that occurred in 2014 and 2011, respectively.
- Reconciliations were not reviewed and signed by a supervisory employee who is not involved with the collection, deposit and disbursement of funds, as required by SOP D-08.
- Reconciliations were not submitted to Finance and Taxation as required by SOP D-08.

Revenues were not always submitted to Finance and Taxation ten days after the end of the month or sooner, as required by SOP D-08. Our audit testing revealed that eighteen of twenty-three (78%) revenue remittances tested were not remitted to Finance and Taxation ten days after the end of the month or sooner as follows:

- Four checks issued in February and March were intentionally held by the Finance Section until April 8, 2015.
- There were six instances in which the time lapse between the check issuance dates and the check clearance dates indicate that the checks were not remitted to Finance and Taxation ten days after the end of the revenue period indicated on the checks.
- Eight checks were not issued until more than ten days after the revenue period indicated on the checks.
- Based on the paid dates of the checks remitted, it appears there were five months in which no remittances were made to Finance and Taxation: March, May, July, October and November.

The Department did not comply with the provision contained in SOP D-08 which requires departments to deposit all proceeds within twenty-four hours of receipt. Our audit testing revealed numerous instances in which deposits to the departmental accounts did not take place within twenty-four hours of receipt of funds. With the exception of fingerprint fees which can be held a month or more, deposits are held from two days up to two and a half weeks from the date of receipt.

The Department did not cancel checks which were outstanding for more than one year as required by New York State General Municipal Law. Our audit testing revealed the Department did not cancel approximately one hundred ten checks, issued from the General and District Petty Cash Funds, which were outstanding for more than one year in accordance with NYS General Municipal Law Article 2 §21. As a result, the District Petty Cash and General Petty Cash Fund balances exceed the petty cash authorized by approximately \$1,500 and \$400, respectively.

The Department's Finance Section could not provide the SCIN Form 66 (3/76), "Petty Cash Record," for the General Petty Cash Fund and receipts for the disbursements made from the fund were not attached to SCIN Form 64 (2/76), "Petty Cash Voucher," as required by SOP D-03. Our cash count and reconciliation of the General Petty Cash Fund revealed the following:

- SOP D-03 requires the completion of SCIN Form 64, "Petty Cash Voucher," clearly stating what was purchased and the purpose, the signature of the individual receiving the reimbursement, the signature of the petty cash custodian, the date and amount of reimbursement, and the vendor receipt is to be attached to the voucher which should be numbered by the Department. The Finance Section could only provide the vendor receipts signed by the individual receiving reimbursement.
- The Finance Section did not maintain SCIN Form 66, "Petty Cash Record," which is required to be retained in a permanent file by each department in accordance with SOP D-03.

The Department did not submit SCIN Form 216, "Annual Statement of Compliance with SOP D-08," to Finance and Taxation by January 31st as required by SOP D-08. SCIN Form 216 was not submitted by the Department until March 19, 2015.

RECOMMENDATIONS

- The Department should comply with all requirements contained in the resolutions governing the Special Services, Travel Advance and Travel Expense Imprest Funds. In addition, the Department should ensure each fund is used only for the purpose authorized and that the fund balance does not exceed the authorized fund balance.
- The Department should comply with all requirements contained in SOP D-03, including performing proper reconciliations of all special imprest and petty cash funds. In addition, for the District and General Petty Cash Funds, the Department should utilize SCIN Form 64, "Petty Cash Voucher," and SCIN Form 66, "Petty Cash Record" or a Microsoft Office Excel spreadsheet which contains the same information required by SOP D-03, and the record should be maintained in a permanent file.
- The Department should always request written approval from the Department of Audit and Control prior to obtaining any credit cards.
- The Department should ensure that the duties related to the Department's credit card use, statement reconciliation, approval and payment processing are properly segregated in accordance with the procedures pertaining to check issuance contained in SOP D-08.
- The Department should comply with all requirements pertaining to collecting and depositing funds, remitting revenues to Audit and Control, reconciling bank accounts and submissions of annual statements of compliance contained in SOP D-08.
- The Department should investigate all checks that remain outstanding after six months of issuance and cancel all checks that remain outstanding for more than one year in accordance with the provisions contained in New York State General Municipal Law Article 2 § 21.
- The Department should create a sub ledger using a Microsoft Excel spreadsheet to record Travel Advance Fund activity, including documenting the date of repayment. The spreadsheet would ensure all funds are repaid in a timely fashion and provide an accurate accounting of the amount of outstanding advances.
- The Department should perform a review of the Travel Advance Fund documentation for periods prior to the audit period to determine if there are additional travel advances that were not reimbursed.
- The Department should request written authorization from the County Comptroller to allow the continued use of the Citibank Corporate Card accounts.

APPENDICES

COUNTY OF SUFFOLK
NEW YORK



POLICE DEPARTMENT

TIMOTHY D. SINI
POLICE COMMISSIONER

Mr. Frank Bayer, Executive Director of Auditing Services
Office of the Suffolk County Comptroller
H. Lee Dennison Building, 9th floor
Hauppauge, NY 11788

January 20, 2017

Dear Mr. Bayer:

I respectfully write this letter in response to the Office of the Comptroller's draft audit of the bank accounts of the Suffolk County Police Department for the period of January 1, 2015 through December 31, 2015. The draft report was most helpful in assisting the Department in improving the accounting and banking procedures of the Suffolk County Police Department, and the Department appreciates your continued partnership throughout this process.

Changes Implemented on or about January 1, 2016

As the Department indicated to your Office during the entrance conference in January 2016, the Department had commenced its own review and analysis of departmental bank accounts and internal controls over deposits and disbursements therein. As a result of that review, the Department implemented the following changes beginning on or about January 1, 2016:

- 1) All departmental bank accounts were transferred from Capital One Bank to Suffolk County National Bank, which resulted in annual savings of approximately \$4,200 in bank fees. This also assisted the Department in its process of conducting monthly bank reconciliations.
- 2) The number of bank accounts was reduced from fourteen to nine accounts to enhance accountability and efficiency.
- 3) The Department implemented stronger internal controls over deposits and disbursements pertaining to its bank accounts. These controls include the following: (a) the second signature on all checks written are of a staff member independent of or higher in rank than the originating signatory; and (b) revenues collected for fingerprint fees are submitted to the NYS Division of Criminal Justice Services through internal bank wire transfers.
- 4) The Department implemented additional controls over our monthly bank reconciliation procedures. For example, reconciliations are now performed by a person independent of the deposit/check issuing process, and SCIN 212s are reviewed and approved by a supervisor of the Finance Section and then sent to the Division of Finance and Taxation in compliance with SOP D-08.

Response to Draft Audit Report's Findings

In response to your draft Audit Findings, the Department respectfully responds as follows:

“The Department did not always comply with the requirements contained in the resolutions governing the Special Services, Travel Advance and Travel Expense Imprest Funds.”

The Travel Expense and Travel Advance funds are intertwined in purpose, and designed to fulfill requests and demands of official Department travel and related out of county expenses. As such, one fund is often used to complement the other out of necessity, timeliness and urgency.

“The Department did not perform proper reconciliations of the Special Services, Travel Advance and Travel Expense Imprest Funds, as required by SOP D-03.”

Although your Office's finding is correct that SCIN form 65 was not used, a similar reconciliation form was provided to Audit and Control when imprest fund vouchers were sent to be processed. Based on that form, Audit and Control approved and reimbursed the Department for expenses. Moving forward, the Department will use SCIN form 65.

Travel Advance Fund: “The Department co-mingled \$1,000 in funds from another imprest fund into the Travel Advance Fund.”

The Department notes that it was necessary to transfer funds to the Travel Advance Fund to pay for travel that the Department considered critical.

Travel Advance Fund: “Advances are not returned in a timely manner. A \$160 travel advance disbursed in 2014 was never returned. In addition, there were two advances disbursed in March 2015: \$100 and \$50, which were still outstanding December 31, 2015.”

The Department respectfully disagrees with the finding that travel advances were not returned in a timely manner. In examining all available records, which date back approximately four years, the Department has ascertained that all travel advances have been repaid where applicable with the exception of one – an advance in the amount of \$160 dating back to 2014. The Department anticipates that this advance will be repaid no later than December 31, 2016. According to the Department records, the other two referenced in the draft audit in the amounts of \$100 and \$50 have been repaid. The Department's Finance Section monitors and tracks all travel advances and their repayment on a weekly basis.

Travel Advance Fund: “The fund has a shortage of approximately \$5,200 after the return of the \$1,000 in co-mingled funds to the proper fund. Based on our finding noted above, the shortage may be the result of travel advances made to employees that did not return the advance when reimbursement for the travel expenses was received.

Travel Expense Fund: “The fund has an overage of approximately \$1,900 after the return of the \$14,000 in co-mingled funds to the proper fund.”

Based on the Department's review of transactions for which it has records (i.e., January 1, 2013 through October 31, 2016), the Department finds that there is a combined shortage in both funds of \$1,914.49 from their authorized fund balances. The reason for this shortage is not ascertainable from available records, and may relate to, inter alia, past unrecorded bank fees, miscellaneous errors or other applicable advances not returned. Your Office's audit acknowledges that a transfer between the funds occurred approximately 10 years ago. Going forward, the Finance Section will perform the necessary reconciliations to each fund's authorized balance as well as their respective bank account reconciliation.

Special Services Fund: “The Narcotics Section has been carrying a \$515 overage and the checkbook balance was intentionally understated \$57, resulting in a fund overage of \$572.”

The Department’s Finance Section performs monthly bank reconciliations of the Special Services Fund. The Department will make the appropriate reconciliation in this account to correct the overage detected.

“The Department did not request written approval from the Department of Finance and Taxation to obtain credit cards, as required by SOP D-08.”

As your Office’s draft audit states, this likely occurred in 2007. Moving forward, the Department will obtain written approval before obtaining any additional credit card accounts, as required by SOP D-08.

“There is a lack of segregation of duties related to the Department’s credit card use, statement reconciliation and approval and payment processing, resulting in an increased risk that defalcation could occur without detection. In addition, the lack of segregation of duties does not comply with the procedures for issuing checks contained in SOP D-08.”

The Department shall take all necessary steps to ensure that departmental credit card use, statement reconciliation, approval of monthly invoices and payment process occurs with the proper controls in place. In addition, Audit and Control reviews charges billed to our credit cards prior to reimbursing our imprest fund.

“The Department did not perform reconciliations of the departmental bank accounts during the audit period, as required by SOP D-08.”

The Department agrees with your Office’s findings in this regard. As previously indicated, the Department, under the new administration, began implementing this change prior to the commencement of the audit.

“Revenues were not always submitted to Finance and Taxation ten days after the end of the month or sooner, as required by SOP D-08. ... The Department did not comply with the provision contained in SOP D-08 which requires departments to deposit all proceeds within twenty-four hours of receipt.”

Staffing constraints in our Finance Section has been the principal cause for noncompliance with DOP D-08.

“The Department did not cancel checks which were outstanding for more than one year as required by New York State General Municipal Law.”

The Department is in the process of analyzing all checks outstanding and will cancel those outstanding more than a year.

“The Department’s Finance Section could not provide the SCIN Form 66 (3/76), ‘Petty Cash Record,’ for the General Petty Cash Fund and receipts for the disbursements made from the fund were not attached to SCIN Form 64 (2/76), ‘Petty Cash Voucher,’ as required by SOP D-03.”

The Department will conduct a comprehensive review of SOP D-03 to ensure that all proper procedures are followed for the recording of all petty cash expenditures.

Conclusion

The Department appreciates your Office's assistance and partnership in further improving the Department's banking and accounting procedures. Please do not hesitate to contact me to further discuss your Office's draft report or the Department's response.

Respectfully submitted,



Timothy D. Sini



ACCREDITED LAW ENFORCEMENT AGENCY
Visit us online at: www.suffolkpd.org
Crime Stoppers Confidential Tip Hotline: 1-800-220-TIPS
Non-Emergencies Requiring Police Response - Dial: (631) 852-COPS
30 Yaphank Avenue, Yaphank, New York 11980 – (631) 852-6000



APPENDIX B

Comptroller Office's Comments on the Department's Response

Auditee: Suffolk County Police Department

The Department submitted a written response to the audit report (Appendix A, p. 12). Our assessment of the Department's response is as follows:

The Department contends in its response that it did not comply with the requirements contained in the resolutions governing the Special Services, Travel Advance and Travel Expense Imprest Funds because the Travel Expense and Travel Advance Funds are intertwined in purpose and one fund is often used to complement the other out of necessity, timeliness and urgency. Although the funds are intertwined in purpose, we found that the Travel Expense Fund was used for expenses unrelated to any type of travel and the Travel Advance Fund was used for travel costs that were not reimbursed through normal channels, both of which are not authorized by the governing resolutions. In addition, the Department's response does not address our finding that the bank accounts associated with the Special Services and Travel Expense funds are not titled in accordance with the governing resolutions.

In response to our finding that the Department did not perform proper reconciliations of the Special Services, Travel Advance and Travel Expense Imprest Funds, the Department stated that our finding is correct in that SCIN Form 65 was not used. However, the Department's response is incorrect in that our report states the Department could not provide any documentation to support the items included in the outstanding balance reported on SCIN Form 65. In addition, the Department did not address why the checkbook balance reported for the Special Services Fund was adjusted without having a proper reconciliation performed in order to arrive at the authorized fund balance. Our finding was substantiated by what our reconciliations revealed; however, in its response the Department responded to each revelation as a separate finding, as follows:

- The Department concurs that it co-mingled \$1,000 from another imprest fund into the Travel Advance Fund.
- The Department disagrees with our finding that travel advances were not returned in a timely manner; however, we do not believe that a travel advance made in 2014 and two advances made in March 2015 were returned in a timely manner if they remained outstanding until 2016.
- In response to our finding that the Travel Advance Fund has a shortage of approximately \$5,200 and the Travel Expense Fund has an overage of approximately \$1,900, we are pleased that the Department followed our recommendation to review documentation prior to the audit period to find that there is a combined shortage in both funds of \$1,914.49 from their

authorized fund balances. The Department is in agreement with our recommendation to perform proper reconciliations of all special imprest and petty cash funds and stated that it will perform the reconciliations to each fund's authorized balance as well as their respective bank account reconciliation.

- We are pleased that the Department will implement quarterly cash counts in the Narcotics Section to ensure that it does not exceed its authorized balance.

The Department concurs with our finding that it did not request written approval from the Department of Finance and Taxation to obtain credit cards and agrees to follow our recommendation to obtain written approval from Audit and Control prior to obtaining any credit cards. However, the Department did not respond to our recommendation that it request written authorization from the County Comptroller to allow the continued use of the Citibank Corporate Card accounts.

The Department concurs with our finding that there is a lack of segregation of duties related to the Department's credit card use, statement reconciliation and approval and payment processing, and is in agreement with our recommendation to properly segregate those duties.

The Department agrees that they did not perform reconciliations of the departmental bank accounts during the audit period and stated changes to this practice were implemented prior to the commencement of the audit under the new administration.

The Department agrees with our findings that revenues were not always submitted to Finance and Taxation ten days after the end of the month or sooner and proceeds were not deposited within twenty-four hours of receipt, as required by SOP D-08. They indicated the principal cause for noncompliance was staffing constraints.

The Department concurs with our finding they did not cancel checks that were outstanding for more than one year as required by New York State General Municipal Law and agrees with our recommendation to investigate and cancel all checks that remain outstanding for more than one year.

The Department did not dispute our finding that the Department could not provide the SCIN Form 66 (3/76), "Petty Cash Record" for the General Petty Cash Fund and receipts for the disbursements made from the fund were not attached to SCIN Form 64 (2/76), "Petty Cash Voucher" as required by SOP D-03. The Department stated in its response that it will conduct a comprehensive review of SOP D-03 to ensure that all requirements contained in SOP D-03 are followed.

The Department did not address our finding that it did not submit SCIN Form 216, "Annual Statement of Compliance with SOP D-08" to Finance and Taxation by January 31st as required by SOP D-08.

We extend our gratitude to the personnel at the Police Department for their cooperation during the audit and for taking corrective action to address deficiencies identified in our report.