



Memorandum No: 21/22-07

Date: March 4, 2022

To: Honorable Mayor and Commissioners

From: John Herbst, CPA, CGFO, CGMA
City Auditor

Re: Termination of the Forensic Audit of Telestaff Time Keeping System for Larry Sciroto,
Chief of Police for Lack of Independence

As you are aware, my office had undertaken a Forensic Audit of Telestaff Time Keeping System for Larry Sciroto, Chief of Police (Chief) to determine whether the Chief's outside employment was conducted consistent with the City and Police Department's policies and procedures.

The Commission voted to terminate my employment at the February 15, 2022 Regular Commission Meeting for the express purpose of having conducted the audit. According to the Mayor's justification for my termination, I was conducting a "rogue investigation", and my office is "only allowed to investigate those things that the Commission tells us to investigate". Accordingly, I have determined that my objectivity has become impaired and I ceased to be independent of this audit.

In conformity with generally accepted government auditing standards (GAGAS) promulgated by the U.S. Government Accountability Office (GAO), specifically section 3.60 outlined below, I am hereby terminating the audit.

Consistent with Florida Statute 119.0713 (2)(b), the audit report of an internal auditor becomes a public record when the audit or investigation becomes final or when the investigation is no longer active. Accordingly, the draft report prepared by my staff is attached hereto as Exhibit 1. I will be forwarding the draft report to:

- The State Attorney's Office Public Corruption Unit
- Special Agent in Charge - Florida Department of Law Enforcement (FDLE) - Miami Regional Operations Center
- FDLE Headquarters Criminal Justice Standards and Training Commission
- Broward Office of the Inspector General

I believe the matters raised in the draft report merit review for possible criminal violations by Larry Sciroto. The circumstances are similar in nature to those in which a Fort Lauderdale police sergeant was arrested on fraud and theft charges in January 2022. As quoted at the time, Police Chief Larry Sciroto issued a statement to the department saying he was "disappointed to announce the arrest of one of our officers, James McDowell."

"The actions of Mr. McDowell do not reflect the character and professionalism I expect of members of this agency," he wrote.

Generally accepted government auditing standards (GAGAS) promulgated by the U.S. Government Accountability Office (GAO)

OBJECTIVITY

3.11 Auditors' objectivity in discharging their professional responsibilities is the basis for the credibility of auditing in the government sector. Objectivity includes independence of mind and appearance when conducting engagements, maintaining an attitude of impartiality, having intellectual honesty, and being free of conflicts of interest. Maintaining objectivity includes a continuing assessment of relationships with audited entities and other stakeholders in the context of the auditors' responsibility to the public. The concepts of objectivity and independence are closely related. Independence impairments affect auditors' objectivity.

INDEPENDENCE

Requirements: General

3.18 In all matters relating to the GAGAS engagement, auditors and audit organizations must be independent from an audited entity.

3.19 Auditors and audit organizations should avoid situations that could lead reasonable and informed third parties to conclude that the auditors and audit organizations are not independent and thus are not capable of exercising objective and impartial judgment on all issues associated with conducting the engagement and reporting on the work.

Application Guidance: General

3.21 Independence comprises the following:

a. Independence of mind: The state of mind that permits the conduct of an engagement without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity and exercise objectivity and professional skepticism.

b. Independence in appearance: The absence of circumstances that would cause a reasonable and informed third party to reasonably conclude that the integrity, objectivity, or professional skepticism of an audit organization or member of the engagement team had been compromised.

3.22 Auditors and audit organizations maintain their independence so that their opinions, findings, conclusions, judgments, and recommendations will be impartial and will be viewed as impartial by reasonable and informed third parties.

3.42 Examples of circumstances that create undue influence threats for an auditor or audit organization include existence of the following:

a. External interference or influence that could improperly limit or modify the scope of an engagement or threaten to do so, including exerting pressure to inappropriately reduce the extent of work performed in order to reduce costs or fees.

b. External interference with the selection or application of engagement procedures or in the selection of transactions to be examined.

- c. Unreasonable restrictions on the time allowed to complete an engagement or issue the report.*
- d. External interference over assignment, appointment, compensation, and promotion.*
- e. Restrictions on funds or other resources provided to the audit organization that adversely affect the audit organization's ability to carry out its responsibilities.*
- f. Authority to overrule or to inappropriately influence the auditors' judgment as to the appropriate content of the report.*
- g. Threat of replacing the auditor or the audit organization based on a disagreement with the contents of an audit report, the auditors' conclusions, or the application of an accounting principle or other criteria.*
- h. Influences that jeopardize the auditors' continued employment for reasons other than incompetence, misconduct, or the audited entity's need for GAGAS engagements.*

Requirements: Independence Impairments

3.59 Auditors should conclude that independence is impaired if no safeguards have been effectively applied to eliminate an unacceptable threat or reduce it to an acceptable level.

3.60 When auditors conclude that independence of the engagement team or the audit organization is impaired under paragraph 3.59, auditors should decline to accept an engagement or should terminate an engagement in progress.

cc: Chris Lagerbloom, City Manager
Alain E. Boileau, City Attorney
David Solomon, City Clerk
Greg Chavarria, Assistant City Manager
Tarlesha Smith, Assistant City Manager
Luis Alverez, Acting Chief of Police



City Auditor's Office

Memorandum No: 21/22-06

Date: March 4, 2022

To: Honorable Mayor and Commissioners

Through: John Herbst, CPA, CGFO, CGMA
City Auditor

From: Megan Gaillard, CPA, CFE, CIA, CGFM
Assistant City Auditor III

Re: Forensic Audit of Telestaff Time Keeping System for Larry Sciroto, Chief of Police

Conclusion

The City Auditor's Office (CAO) determined that the Chief of Police (Chief) improperly received payment from the City for regular work days while simultaneously engaged in outside employment and outside employment travel in violation of Florida Statute, the City's Policies and Standards Manual (PSM), and Police Department Standard Operating Procedures.

We also determined that the Chief received payment for a car allowance while also having a Department issued take home vehicle in violation of the PSMs.

Finally, we have concluded that the City's internal controls are not suitably designed to prevent and detect errors and fraud in a timely manner, nor do they appear to be operating as intended.

We consider these findings to be internal control "material weaknesses" as defined below.

Allegation

The complaint alleged that Larry Sciroto, Chief of Police (Chief), was working outside employment while the Telestaff Time Keeping System (Telestaff) showed he was working on City time.

Objective

The initial objective of the limited scope audit was to determine whether the Chief's outside employment was consistent with the City's and Police Department's Policies and Procedures related to outside employment.

During the course of our fieldwork, other concerns were identified and a second objective was added to determine whether the Chief was receiving a car allowance at the same time as receiving a Department issued take home vehicle.

Scope and Methodology

This audit was completed based on an anonymous complaint received by the CAO on December 2, 2021 that was deemed credible.

The audit included review of the Chief's outside employment approvals and time off entries for the outside employment and related travel. During the audit a scope expansion was issued to include review of the Chief's Department issued take home vehicle and car allowance.

The audit methodology included but was not be limited to:

- Performing data reliability and integrity assessment of related computer systems;
- Reviewing regulatory guidance, policies and procedures, and related requirements;
- Reviewing records and reports;
- Performing process walk-throughs and conducting a review of controls;
- Interviewing appropriate personnel; and
- Performing detailed testing on selected activities.

We have identified six Findings during the audit. A Finding results from a failure to comply with policies and procedures, rules, regulations, contracts, and fundamental internal control best practices. These findings are considered a material weakness.

A finding is categorized as a "deficiency," a "significant deficiency" or a "material weakness" as defined below:

- *A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis.*
- *A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.*
- *A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.*

This audit was conducted in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our objectives.

Background

The Chief started working for the City of Fort Lauderdale in charge of the Police Department on August 16, 2021. The Chief is a sworn officer of the Police Department.

Sworn Police Department Officers with a rank above captain are not covered under collective bargaining agreements. The Chief is considered a Civil Service Department Employee, so the Personnel Rules would apply to the Chief. The Personnel Rules were adopted by resolution and incorporated into the City Ordinances; accordingly, they cannot be waived by City staff.

The Police Department Policies are promulgated in addition to the City of Fort Lauderdale Personnel Rules and any existing labor agreements. They are adopted for the administration, management, discipline, and disposition of employees of the Police Department. Since the Chief is an employee of the City of Fort Lauderdale Police Department, the Police Department Policies would also apply.

The City Manager stated that no waiver of policies and procedures or exemptions to comply with policies and procedures was provided to the Chief. The Chief affirmed complete understanding of the relevant Police Department Policy, 104.1, and did not intend to exempt himself from it.

The Police Department Policy 118 Rules of Conduct provides that “In the event of a breach of these rules or the engagement in activities that constitute a conflict of interest, it shall be presumed that the employee or volunteer had knowledge of and was familiar with any rule, order, or directive of the Department. Violation of any rule may result in disciplinary action”

In summary, the Chief is required to follow the City’s Personnel Rules and as an employee of the Police Department, the Police Department Policies.

Findings

Finding 1 - The Chief received payment from the City for regular work hours while at the same time receiving payment for outside employment, which is in violation of Police Department Policy 104.1.

Condition

We found that the Chief adjusted his standard City weekday work schedule to accommodate his outside employment of officiating NCAA basketball games, in violation of Police Department Policy 104.1.

The Chief completed these adjustments which occurred as holiday leave substitutions (i.e. City holidays were worked to offset regular City workdays that were spent working outside employment) and work hours shifting (i.e. start and end times for City workdays were shifted to allow time for travel related to outside employment).

Police Department Policy 104.1 prohibits Police Department employees from shifting their schedules to accommodate outside employment. The City Manager did not waive this policy restriction for the Chief; therefore, flex time and adjustment of schedule was not authorized. As a result of this policy restriction, the Chief should have instead used approved leave time for all of his outside employment including travel for the outside employment.

The Chief was paid by the City for these unauthorized schedule adjustments, totaling an estimated 55.50 hours for the audit period between August 16, 2021 (hire date) and January 7, 2022 as follows:

Calculation for Chief's Hours		Notes
56 hours	7 Games on Weekdays	7 games x 8 work hours
<u>15.50 hours</u>	Travel Time for Games	Estimate based on flight details provided
71.50 hours	Outside Employment during standard City schedule (total)	
(8 hours)	Management Leave	Weekday game worked on Leave
<u>(8 hours)</u>	Holiday Leave	Weekday game worked on Leave
55.50 hours	City Hours Paid in Violation of Policy (net)	Estimate Owed to City

Additionally, of these seven conflicting outside employment dates within the audit period, on November 5, 2021, the Chief was paid for eight hours of recorded City work time when the Chief did not perform City work this day, but instead was performing outside employment.¹

Criteria

Florida Statute 112.313(7)(a) states "nor shall an officer or employee of an agency have or hold any employment or contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impede the full and faithful discharge of his or her public duties."

Policy and Standards Manual 6.42 provides that "The proposed outside employment cannot interfere with the efficient performance of regular City duties, and cannot be performed during an employee's regular or assigned working hours." and "Employees of the Police Department will comply with the requirements of this policy by following the Police Department's Details and Off-Duty Employment Policy (Policy 104.1) and completing an Off-Duty Police Employment Request Form."²

Additionally, PSM 6.42 further states "Any employee found to be in violation of this policy may be subject to appropriate discipline, up to and including discharge, depending on the circumstances. It shall be within the sole discretion of the City to determine the level of discipline based on the best interests of the City."

Police Department Policy 104.1 Details and Off-Duty Employment Section E Limitations 3. provides "Employees are not authorized to adjust their schedule or utilize flex-time to accommodate details and/or off-duty employment. Employees shall only work details and/or off-duty employment during regularly scheduled time off and/or while initializing some type of approved leave excluding sick leave."

¹ These eight hours were already included in the above chart totals; therefore, were not added to the totals to avoid duplication. Telestaff does not include a "note" in any calendar day explaining a work schedule shift applicable to November 5, 2021.

² The Chief completed the PSM outside employment form which is generally the same as the Off-Duty Police Employment Request Form, so this item was not considered an issue.

On the Chief's outside employment form, he stated he would use discretionary time for the outside employment. The Assistant City Manager who also serves as the Human Resources Director stated that she did not know what discretionary time was and that the Chief was told that he had to use leave or time off.

The Police Department Policy 118 Rules of Conduct provides that "In the event of a breach of these rules or the engagement in activities that constitute a conflict of interest, it shall be presumed that the employee or volunteer had knowledge of and was familiar with any rule, order, or directive of the Department. Violation of any rule may result in disciplinary action"

Cause

Due to a lack of oversight of the Chief's timekeeping, in relation to Police Department policy restrictions, the Chief was able to continue to shift his schedule without preventative or reactive intervention throughout the audit period.

Effect

The Chief was paid for 55.50 hours of City time that should not have been paid because it resulted from unauthorized activity. Leave time should have been used for these hours, so the Chief was overpaid based on policy violations.

Recommendations:

The CAO recommends that the City Manager:

- Re-evaluate the calculations to determine actual leave hours that should have been taken based on actual itinerary schedules and supporting documentation that was not provided to the auditors;
- Obtain repayment from the Chief for the City paid hours that are in violation of the policy;
- Refer the possible State of Florida Ethics violation to the appropriate State agency; and
- Determine if these violations should result in disciplinary action and take any necessary steps, as needed.

Finding 2 - The Chief improperly received a car allowance while he had a Department issued take home vehicle for multiple months.³

Condition

The Chief was provided a Department issued take home vehicle upon employment with the City, while at the same time receiving car allowance. Based upon the Chief's start date, he does not appear to have received a car allowance in August 2021. The car allowance payments began in September 2021 through January 2022.

The Chief received four payments of \$390 per month for September 2021 through December 2021. On December 12, 2021, the Chief repaid two months of the car allowance in the amount of \$780. In January 2022, the Chief received another car allowance payment for \$390.

³ This was part of the audit's scope expansion.

Criteria

City Policy and Standards Manual for City Equipment Section Motor Vehicles provides under Section Policy 2 “Management employees in Categories I, II and III who receive car allowances are prohibited from utilizing City vehicles as drivers or passengers.”

Cause

The Chief’s offer of employment letter provided for a car allowance in the amount of \$390 per month. The offer of employment letter did not take into consideration that the Chief would be provided a take-home vehicle upon employment with the City.

Effect

The Chief received double benefits by having a Department issued take home vehicle and a car allowance. The Chief received payments totaling \$1,950 through January 2022 with only \$780 repaid in December 2021. It appears as of January 8, 2022, the Chief may owe the City \$1,170.

Recommendation:

The CAO recommends that the City Manager:

- Review the total amount of car allowance paid to the Chief while he was in possession of the Department issued take home vehicle and determine the amount to be refunded to the City.

Subsequent Event

The Chief no longer receives a monthly car allowance. The City has provided and required him to use the Department issued take home vehicle without a car allowance. However, the City then provided the Chief with a raise in the amount of the car allowance, which in essence allows the Chief to continue to receive excess / double compensation.

Finding 3 - Calendar Year 2021 Outside Employment Form was not properly approved and the Calendar Year 2022 was submitted after the PSM required deadline.

Condition

The Chief submitted his Calendar Year 2021 request for approval for outside employment on November 2, 2021. The first day of outside employment was November 5, 2021. The City Manager (i.e. supervisor) did not sign the form to authorize⁴ the outside employment; however, the Human Resources Director signed approving the outside employment on November 2, 2021, so partial approval was received.

Procurement also reviewed the outside employment form for potential conflicts of interest. However, this review was not completed until December 3, 2021, which was one month after the Chief began the outside employment. The Procurement review was not completed timely to detect potential conflicts of interest.

The Chief submitted his Calendar Year 2022 outside employment form on January 13, 2022, which was in violation of PSM 6.42 which required the form to be submitted by January 1, 2022. The Strategic Communication emails sent notices for outside employment form requests to be submitted by January 14, 2022. The Chief did submit prior to the updated due date; however, that

⁴ While the City Manager did not properly approve the outside employment form, he said that he did approve the outside employment verbally in advance of the Chief completing any outside employment.

updated due date for the outside employment form was not in compliance with the PSM 6.42 requirement.

Criteria

The City's outside employment form appended to PSM 6.42 requires Department Director or designee signed approval, per PSM, "Prior to commencing any outside employment, employees shall complete and submit the "Outside Employment Request" form to his or her Department Director for approval.... A copy of the approved form shall be kept in the employee's personnel file." In this instance, the Chief would need his supervisor's approval for the outside employment.

Human Resources standard practice is for City outside employment forms to be reviewed by Procurement for conflicts of interest. Though PSM 6.42 identifies the risk of conflict of interest, it does not prescribe a related control process to be carried out by Human Resources, including deadlines, "Outside employment is prohibited if it is likely to result in any of the following...b. A conflict of interest as defined by Chapter 112 (Part III) of the Florida Statute...Questions about whether an employee outside employment has potential for conflict of interest shall be forwarded to the Human Resources Department or the Office of Professional Standards."

PSM 6.42 states "Employees are required to renew their request for approval January 1 of each year."

Cause

The form was improperly completed and the Chief signed off as both the employee and the Department Director (i.e. supervisor line). Additionally, the Chief never submitted the form to the City Manager and only submitted the form to the Human Resources Director.

The cause for lateness of Procurement's conflict of interest review is believed to be due to latitude expected of "standard practice" rather than a routine control process formalized by amendment within PSM 6.42.

The late submission of the Chief's calendar year 2022 outside employment request form appears to have been caused by conflicting deadlines provided between PSM 6.42 and the Strategic Communication emails.

Effect

By not having proper written approval in advance of completing outside employment, it may appear that inappropriate actions are occurring even if they are not. Additionally, if there are any conflicts with the outside employment, without proper review and approval, the conflicts would not be detected. When Procurement reviews for potential conflicts of interest are not completed timely, it is possible the conflicts of interest will go undetected.

Recommendations:

The CAO recommends that the City Manager:

- Ensure that all employees desiring outside employment receive:
 1. Supervisory approval,
 2. Procurement review and approval for potential conflicts of interest, and
 3. Human Resources approval;
- Update PSM 6.42 and the outside employment form to include the Procurement review and signature for potential conflicts of interest prior to the employee beginning the outside employment; and

- Provide training to City staff on the policy requirements that are applicable for their Departments.

Corrective Action

While the Chief's calendar year 2022 outside employment form received approval by the City Manager and the Assistant City Manager / Human Resources Director, it was not submitted on time per PSM 6.42. Additionally, although Procurement did complete a review for potential conflicts of interest, this wasn't performed until approximately two weeks after the outside employment form was approved.

Finding 4 - Operations do not match the policy requirements.

Condition

Timeliness of outside employment pre-approval form submission has not been required. Human Resources sent out a notice requiring employees to submit outside employment request forms by January 14, 2022. PSM 6.42 Outside employment requires the outside employment request forms to be submitted by January 1.

The requirements from the Policies concerning outside employment have not been used in actual practice. Based on interviews with the Human Resources Director and the Chief, both parties stated that PSM 6.42 applied to the Chief's outside employment, and as such the Chief only submitted the PSM's form. However, the PSM defers to Police Department Policy 104.1, which requires all Police employees to follow Police Department Policy 104.1 for all types of outside employment and submit the Police Department form.

Criteria

PSM 6.42 Outside employment requires the outside employment request forms be submitted by January 1.

PSM 6.42 provides, "This policy shall apply to all outside employment. If there is a collective bargaining provision that conflicts with this policy, the terms of the collective bargaining agreement, in conjunction with the department's secondary employment policy, shall apply. Employees of the Police Department will comply with the requirements of this policy by following the Police Department's Details and Off-Duty Employment Policy (Policy 104.1) and completing an Off-Duty Police Employment Request Form."

Police Department Policy 104.1 provides, "It is the policy of the Fort Lauderdale Police Department to regulate all police details and off-duty employment.... Any employee working a non-police type of employment must submit an "Off-Duty Police Employment Request" form via the chain of command to the Office of the Chief. The form will be routed as stated above."

Cause

Based on our interviews, we determined the actual practices that are being followed are not consistent with the PSM 6.42.

Effect

When policies and procedures are unclear, it causes confusion amongst staff and may lead to noncompliance with the requirements.

Recommendations:

The CAO recommends that the City Manager:

- Review the operational practices against the policies and procedures and determine which requirements should be followed, then update operations or the policies and procedures accordingly, including form submission deadline; and
- PSM 6.24 be updated to provide additional clarity for when the Police Department Policies and Procedures apply versus when the PSM 6.24 requirements apply.

Finding 5 - Internal controls do not appear to be suitably designed to prevent or detect errors and fraud in a timely manner nor do they appear to be operating as intended.

Condition

There were multiple internal control weaknesses identified during this audit:

1. A general lack of formal, supervisory oversight, as in verification and approval, of the Chief's timekeeping of outside employment was apparent.
 - a. The City Manager stated he had not provided any timekeeping instruction to the Chief as to outside employment and was not aware of any instruction provided by others; that he was not required to sign-off on the Chief's timekeeping records; and that he had not been otherwise monitoring how the Chief was scheduling and recording outside employment time.
 - b. The out-of-office notification system established by the City Manager in November 2021 was inadequately designed and/or implemented.
 - i. Chief did not provide written notice of most out of office instances, as a result of the outside employment, during the audit period of August 16, 2021 to January 7, 2022.
 - ii. When time was flexed by the Chief, it does not appear that the Chief obtained documented approval from the City Manager for the majority of the schedule adjustments or time off. The Chief was out-of-office multiple times during the audit period for outside employment yet only produced one applicable leave notice, which is a lack of compliance with out-of-office documentation controls established and this was not detected and corrected.
 - iii. There was no written designation of Acting Chief in all instances while the Chief was conducting outside employment or travel during the audit period.⁵
 - c. There was limited documentation or data (other than Telestaff) available to verify/validate the hours worked by the Chief in relation to the schedule shifting that occurred for outside employment.
 - i. The Chief's Assistant responded that she had no knowledge or documentation of the Chief's work schedule adjustments, leave, and outside employment schedule and outside employment travel.
 - ii. The Chief responded that he does not notify the City Manager when he shifts hours within a particular workday. For schedule shifting (of entire workdays), the City Manager responded he was not aware Chief had done this in regard to outside employment.

⁵ Two written designations of the Acting Chief were received, but they were outside of the audit period.

1. Though the Chief keeps a work calendar, it would not be considered primary auditable support for time worked, relevant to flexed work dates.
 2. The Chief's security badge activity log provided some assurance that his shifted schedule was valid.
2. PSM 6.42 lacks required supervisory monitoring of hours worked for outside employment and potential conflicts with standard City work schedules.
 - a. The "policy" within PSM 6.42 is adequate, that "outside employment shall not conflict with City employment," but the PSM's "procedure" (i.e. internal controls) is solely focused on pre-approval tasks.
 3. The Chief did not provide the schedule for outside employment or related travel in advance, as required by PSM 6.42.

Criteria

COSO Principle 10: "The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels."

COSO Principle 12: "The organization deploys control activities through policies that establish what is expected and procedures that put policies into action."

COSO Principle 14: "The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control."

COSO Principle 16: "The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning."

The PSM 6.42 Appendix with the outside employment form requires the schedule for the outside employment.

Police Department Policy 118 Rules of Conduct Section B.13 provides that "In his/her absence, the Chief of Police shall designate an Acting Chief of Police..."

Cause

The Chief did not provide the City Manager with the prospective schedule of future workday games with potential to conflict with his standard City schedule.

There is no requirement in the Police Department Policy 118 that the Chief provide written notice when there is an Acting Chief.

The Chief enters his adjusting entries into Telestaff to show when he flexes hours or adjusts hours. There is no review or approval for these entries when related to outside employment.

Effect

By not having an effective internal control system, it is possible that policies are not being followed by staff, proper notifications are not occurring, proper approvals are not being received, inappropriate actions could go undetected, and public funds may be misspent.

Without written notice of the designation of the Acting Chief, there is a potential for confusion and miscommunication in the chain of command should an emergency situation arise while the Chief is unavailable.

Recommendations:

The CAO recommends that the City Manager:

- Written notice of the designated Acting Chief and supervisory approval of leave should timely occur for all instances, regardless of whether outside employment applies;
- Police Department Policy 118 should be updated to provide that when the Chief is unavailable, then an Acting Chief will be designated in writing and distributed to an essential list of personnel; and
- PSM 6.42 (outside employment) should be updated to provide additional internal control guidance, under the Procedure section, on monitoring outside employment at all position levels, including methods for approving and verifying the accuracy of timekeeping information.

Finding 6 - The Telestaff computer system controls have multiple control weaknesses and policy violations.

The details for this finding will be provided in a separate memo to the City Manager for review and resolution; and will include four recommendations. The items in this Finding are exempt from public record because of security reasons.

cc: Chris Lagerbloom, City Manager
Alain E. Boileau, City Attorney
David Solomon, City Clerk
Greg Chavarria, Assistant City Manager
Tarlesha Smith, Assistant City Manager
Luis Alvarez, Acting Chief of Police
Susan Grant, Finance Director