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To: The Honorable Mary Sue Rich, President of the Council  
The Honorable John McLeod, President Pro Tem  
The Honorable Suzy Heinbockel  
The Honorable Jay Musleh  
The Honorable Daniel Owen  
The Honorable Kent Guinn, Mayor  
Matthew Brower, City Manager

Date: September 17, 2013

Re: Ocala Police Department Police And Children Connecting (PACC) Review

Per Councilwoman Suzy Heinbockel's request, Internal Audit reviewed the Police and Children Connecting (PACC) summer program hosted by Ocala Police Department. The objectives of the review were to determine funding sources, participant demographics, participant recruitment, program curriculum and assess the internal controls over the over the program operation and finances. We held discussions with program facilitators and reviewed program materials, administrative procedures, and revenues and expenditures related to the program.

PACC is open to all children age 6 to 12 years and provides the opportunity for youth to positively interact with local police officers and promotes good citizenship, sportsmanship, and health and fitness through well rounded educational and recreational experiences. The curriculum includes learning about laws, stranger danger, cyber safety, bike safety, and fire safety. The program is advertised through local media including the Ocala Star-Banner and Family Times, flyers disseminated to local schools, announcements on the OPD marquee outside police headquarters and the OPD Facebook page. Registration for this year's program was held April 2, 2013. Parents complete an application and provide a copy of the child's birth certificate to determine the appropriate class assignment. The \$300 fee can be paid in full at registration or divided into 3 monthly installments with the first installment of \$100 at registration. Scholarships are awarded on a basis of need.

Along with the OPD Youth Development Officers, 10 part-time temporary crime prevention aides were hired to teach the sessions. Aides must possess classroom experience and undergo background checks, drug testing, polygraphs and weight testing similar to those administered to OPD officers. Two of the aides served as bus drivers for field trips during the program which also required FL Class B driver's license. Local high school students, recommended by School Resource Officers or other school personnel, volunteered as mentors. Approximately 15 students volunteered for the entire 6 week program. The program was held June 17 – July 26, 2013, Monday – Friday 7:30 am – 5:30 pm at Blessed Trinity Middle School. Participants were divided by age into 7 classes (ages 6, 7, 8, 8/9, 9, 10, and 11/12). Assigned to each class were one teacher (7:30-4:30pm), one DARE/School Resource Officer (8:30-5:30 pm) to guide the daily activities and volunteer student mentors were assigned as needed.

Educational activities included tutoring, arts and crafts, and information sessions and demonstrations by OPD including K-9 officers, SWAT officers, and crime scene investigation personnel. Participants also enjoyed field trips to Wild Waters, Chuck E. Cheese, the Hampton Aquatic Center, and the Marion Theatre. The 10, 11, and 12 year olds attended a Tampa Bay Rays baseball game.

Expenses of the program were covered by the participant fees and funds donated in April 2010 by the John Travolta Movie Premier Fundraiser designated for use by PACC and youth development material and supplies. Expenses include wages and benefits of the temporary program aides, daily snacks, field trips and activities for all of the participants and volunteer student mentors, and bus rental fees. Each participant received a backpack, aluminum water bottle, and a t-shirt. Holding the program at Blessed Trinity allowed the site to be designated a Florida Department of Agriculture Summer Food Program for Children, receiving federal funding to provide lunch for all the participants plus other school age children of the community. The participant fees also covered the cost for a one-day trip to Universal Studios for the 15 student volunteer mentors (\$ 1,365.50).

This summer's PACC program hosted 188 children. Summarized below are the Revenues and Expenses for the program that have been received or paid through August 8, 2013 below. The excess \$ 1,134.05 of revenue over expenses will be used to purchased materials and supplies for next year's program.

<u>Revenues</u>		<u>Expenses</u>	
Participant Fees	\$ 48,400.00	Wages and Benefits – Temporary Aides	\$ 19,200.20
John Travolta Movie Premier Fundraiser	2,140.40	Program Operational Costs	30,206.15
Total	<u>\$ 50,540.40</u>		<u>\$ 49,406.35</u>

The City provides “in-kind” contributions to the program of \$71,429.87 which is the cost of payroll and benefits for the 8 Youth Development Officers (DARE/School Resource officers) during the period of the program; these officers are typically not re-assigned to other divisions when school is not in session. These officers are available to teach PACC classes. Outside of the “in-kind” contribution, the PACC program is self sustaining. An efficiency study conducted by Berkshire Advisors, Inc. General Management Consultants and issued February 2010 recommended OPD “work with the City’s Recreation and Parks Department to consolidate summer programs, utilizing officers to support all summer programs rather than operate distinct programs.” The study was unable to quantify the financial impact of combining the programs, but rather indicated “efficiencies may occur as part of planning.” Currently, the Recreation and Parks summer camps are one-week camps. It appears that combining the programs would detract from the one on one positive interaction between OPD and the children which the PACC program currently provides. The Recreation and Parks Department depends on other providers, such as the PACC program, Boys and Girls Clubs, YMCA, to lessen the load for their staff and provide more targeted opportunities for the City’s youth.

Overall, administrative procedures and controls over revenues and expenses for the program are strong. We were able to validate the revenue and expense records maintained by the program coordinators and all expenses were appropriately documented and represented reasonable and necessary operational costs to carry-out the program. Facilitators Sgt. Rob Bonner, Ofc. Rhonda Grice, and Ofc. Patti Mraz, along with the other OPD youth development officers, run the program efficiently and effectively. The attached report outlines opportunities to strengthen the controls over the program.

*Generally Accepted Government Auditing Standards and the Institute of Internal Auditors Standards require that we plan and perform our audits to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions.*

  
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 S. KaRhonda Leslie, Audit Specialist

  
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 Jeanne Covington, Internal City Auditor

c: Greg Graham, Chief of Police, OPD  
 Robbie Bonner, Sergeant, OPD and PACC Coordinator



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### **Ocala Police Department Police And Children Connecting (PACC) Review**

Internal Audit met with Sergeant Robbie Bonner, Officer Rhonda Grice, and Officer Patti Mraz of the Ocala Police Department on August 27, 2013 to discuss the review of the PACC program. Internal Audit expressed their appreciation for the courtesy and cooperation during the review from OPD personnel

**Objectives:** To determine funding sources, participant demographics, participant recruitment, program curriculum and assess the internal controls over the over the program operation and finances.

**Scope:** PACC revenues and operating expenses for the period of October 1, 2012 – August 8, 2013 and the summer 2013 program operations.

**Approach:** Reviewed revenues and operating expenses for PACC during FY 2013.

**Conclusion:** Based upon the review of 2013 PACC, the program is an excellent opportunity to strongly promote positive interaction between the City’s youth and OPD officers. Although the City provides an “in-kind” contribution to the program of \$71,429.87, representing payroll and benefits for the Youth Development officers (DARE/School Resource officers) during the period of the program; these officers are typically not re-assigned to other divisions when school is not in session as doing brings a high opportunity that the officers would be pulled from their normal duties while school is in session for legal proceedings and court appearances. Thus, these officers are available to teach PACC classes. Outside of the “in-kind” contribution, the PACC program is self sustaining.

Opportunities to strengthen controls over the program were identified which are detailed in the attached matrix, along with management’s responses. Internal Audit will assist the PACC program facilitators as the program continues in future years.


**Observations, Recommendations, and Management's Response**


	<b>Observation</b>	<b>Discussion of Criteria, Cause and Effect</b>	<b>Recommendations</b>	<b>Management Response</b>
<b>Scholarship</b>	<p>Of the 188 participants, 28 were awarded scholarships. Scholarship applications were not completed. Awards were determined based upon recommendations from school resources officers and/or school officials who have knowledge of extenuating circumstances of the child. Seven scholarships were granted to children of OPD employees, all of which met hardship and/or financial needs. The award process was not formally documented and a list of scholarship recipients was not formally maintained.</p>	<p>Effective and efficient operations require managing the scholarship award process to include formal award justification and records of the financial assistance provided to each recipient. This will provide evidence to ensure awards were made on a fair and equitable basis.</p> <p>Effective financial controls require maintaining records of balances due. Maintaining a record of scholarship recipients with other financial records will help to ensure that any outstanding balances are collected in a timely manner.</p>	<p>Scholarship applications should be completed for all participants requesting financial assistance. Applications should have a letter of recommendation attached from a school official or school resource officer supporting any extenuating circumstances. A school official or DARE/School Resource Officer can complete the application if the parent is unable or unwilling. The facilitators should document the reasons for granting or denying the award on the application. This full disclosure on the award application should alleviate the appearance of preferential treatment. This is especially important for financial assistance granted to a child of an OPD and/or City employee.</p> <p>Participant records should be developed to identify all payments and any financial assistance to assist with collecting any balances due prior to the start of the program.</p>	<p>A new Scholarship form will be developed and given to anyone that request assistance. This form will also be used by the DARE/SRO that is seeking assistance for a child that is deemed "at risk". The application will also include the names of those that assisted in the selection and award process and a short comment on the reason for acceptance or denial. Participants will be included on the financial spread sheet along with all others taking part in the program.</p>


	Observation	Discussion of Criteria, Cause and Effect	Recommendations	Management Response
<b>Cash Handling</b>	<p>Sgt. Bonner, Ofc. Grice, Ofc. Mraz, and Gwen Crenshaw, Records Technician with OPD accept payments of registration fees and provide receipts. Ofc. Grice and Gwen retain receipt books to record payments. Cash collected by Sgt. Bonner, Ofc. Grice, or Ofc. Mraz is given to Ofc. Grice to reconcile receipts with participants, and to complete the deposit. The collected funds are kept in a combination safe "chained" inside the drawer of a locked file cabinet in Ofc. Grice's office until the deposit is taken to the bank. The funds were taken to the bank once a month for 3 consecutive months.</p> <p>Payments are collected by the records technician at the "records window" in the lobby of OPD. Funds are kept in an envelope in a drawer separate from all other cash collected at the "records window" and placed in OPD's safe at the end of each business day. The funds are removed each morning and placed back in the tech's cash drawer for the day. This continues until Ofc. Grice retrieves the funds for deposit on the day the funds will be taken to the bank. Ofc. Grice reconciles the funds received with the receipts issued prior to making the deposit.</p> <p>Internal Audit reconciled participant receipts to the funds deposited and recorded in the general ledger without exception.</p>	<p>Strong internal controls require adequate segregation of duties over cash handling procedures. No one person should be solely in charge of handling initial receipt of funds, maintaining the records, reconciling, and delivering the cash to the bank.</p> <p>Additionally, cash should be deposited within one business day of receipt.</p> <p>Segregation of duties over cash and daily deposits mitigate the risk for losses due to unintentional error or misappropriation.</p>	<p>All funds collected should be reconciled deposited by someone not involved in the cash collection process. Deposits should be prepared and taken to the bank either the same day or by the next business day.</p> <p>If segregation of duties over cash is not possible, the cash collections and deposits should be verified by a supervisor.</p>	<p>Recommendation will be implemented and followed. This will also take the burden of having one officer doing all the work by themselves. Having deposits verified by a supervisor will insure that all steps are being followed and records are up to date.</p>

	Observation	Discussion of Criteria, Cause and Effect	Recommendations	Management Response
Participant Demographics	At the time of the review, there was not a detailed record of participants or demographic information. With the assistance of the facilitators and review of the financial information, we were able to identify 188 participants.	<p>Efficient operations include maintaining a record of each participant and certain demographic information. This provides the beneficial ability to evaluate the effectiveness of the program of reaching the targeted audience.</p> <p>Participant records also aid in daily attendance and assist with financial record keeping.</p>	Participant and demographic records which facilitate analysis should be developed prior to the first day of the program. This participant listing will assist with attendance, outstanding payments, and provide the ability to summarize demographics (such as city vs. county resident, geographic location within the City, relationship to City employees) which will ultimately assist in determining if the program targets community children from the at-risk population of the community. Likewise, records of the student volunteer mentors also should be developed and retained with demographic information to also aid in supporting the outreach efforts of the program.	Recommendation will be implemented and followed. A new participant spreadsheet will be developed with the aid of the City Auditors office.

*Internal Audit will continue to work with Management to assist with the documentation methods and will review follow-up with management's action plan with the 2014 PACC program.*

  
 Internal Audit Signature/Title 9/13/13  
Date

  
 Management Signature/ Title 9/13/13  
Date

 Chief of Police 9/16/13  
 Executive Leadership Signature/Title Date