

Louisville Metro Police Department

Special Events Financial Administration & Overtime Usage



Office of Internal Audit

Audit Objective

- Assess the adequacy of policies and procedures related to overtime
- Assess internal controls related to the following processes for special events:
 - Assigning overtime
 - Authorizing overtime
 - Tracking overtime
 - Monitoring overtime

Audit Scope

- Review Period: December 1, 2016 through August 31, 2018
- Applicable Policies and Procedures
- \$3.7M Overtime related to the following:
 - Special events
 - Reimbursable agreements
 - External grants
 - NDFs

Materiality

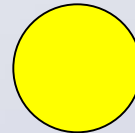
- \$17.5M paid for all overtime during the review period (21 months)
- The overtime was used for the following activities:
 - General police duties \$13.9M
 - Special events \$2.5M
 - Reimbursable agreements (related to task forces \$692K
 - Grants \$394K
 - NDFs \$99K

Internal Control Ratings

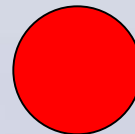
- Satisfactory



- Needs Improvement



- Inadequate



Findings

Observations

1. No process to reconcile hours worked for special / reimbursable events. (LMPD)
2. No process to track all reimbursable and special events. (OMB - A/R)
3. No policies and procedures for billing special events and the waiver of event fees. (OSE)
4. \$750,000 was billed for services rendered without an executed agreement. (OMB - A/R)

Recommendations

1. Develop procedures to ensure completeness & accuracy of overtime hours.
2. Maintain an inventory of all recurring billings & implement a quality review of bills.
3. Develop policies and procedures.
4. Obtain & maintain executed agreements.

Findings

Observations

5. No policies and procedures related to Neighborhood Development Funds. (LMPD)
6. No process to ensure that grant reimbursements were accurate, complete, and received. (OMB-Grants)
7. In some instances LMPD's overtime cost exceeded the amounts billed.
8. Noncompliance with grant requirements. (LMPD)
9. No Service Level Agreement between LMPD & OMB as of 6/1/19.

Recommendations

5. Develop policies and procedures for Neighborhood Development Funds.
6. OMB should continue implementing controls that address the issues.
7. Periodically review estimated costs, AARs, variances, and agreements.
8. Develop policies and procedures to define LMPD's responsibilities.
9. The Service Level Agreement was executed on 7/1/19.

Commendable Areas

- ★ Staff responsible for financial administration were transparent and cooperative throughout the audit.
- ★ Staff played an active role in identifying process improvements to strengthen controls surrounding overtime financial administration.

Questions