Louisville Metro Police Department

Special Events Financial Administration & Overtime Usage

Louisville

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





Findings

Observations

- No process to reconcile hours worked for special / reimbursable events. (LMPD)
- 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)
- 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.





