

PUBLIC SAFETY
CALIFORNIA STATE UNIVERSITY,
LOS ANGELES

Report Number 00-41
December 8, 2000

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ABBREVIATIONS

ARMS	Automated Records Management System
BA	Business Affairs – Office of the Chancellor
CBA	Collective Bargaining Agreement
CCR	California Code of Regulations
COBIT	Control Objectives for Information Technology
COPS	Community Oriented Policing Services
CRU	Critical Response Unit
CSU	California State University
CSULA	California State University, Los Angeles
CTO	Compensatory Time Off
DOJ	Department of Justice
DPS	Department of Public Safety
EO	Executive Order
IACLEA	International Association of Campus Law Enforcement Administrators
POST	Commission on Peace Officer Standards & Training
PS	Public Safety
SAM	State Administrative Manual
SCO	State Controller's Office
SUPA	Statewide University Police Association
UAS	University Auxiliary Services
UCR	Uniform Crime Reporting
VCCA	Violent Crime Control and Law Enforcement Act

INTRODUCTION

PURPOSE

The overall audit objective was to ascertain the effectiveness of existing policies and procedures related to the administration of Public Safety (PS) police activities and law enforcement, and to determine the adequacy of controls over parking revenues and citations, and crime reporting.

Within the overall audit objective, specific goals included determining whether:

- ▶ administration and management of the PS program provide an effective internal control environment, clear lines of authority and responsibility, comprehensive policies and procedures, and self-evaluation techniques to measure program and management effectiveness;
- ▶ staffing and scheduling provide appropriate coverage, effective use of overtime and compliance with the collective bargaining agreement (CBA);
- ▶ PS participation in campus disaster planning and the CSU Critical Response Unit (CRU) is clearly defined and communicated, and includes appropriate training;
- ▶ budgeting procedures adequately address PS funding and include procedures to monitor budget versus actual expenses;
- ▶ chargebacks and Peace Officer Standards and Training (POST) reimbursements are adequately controlled and properly valued, and grants are administered in accordance with grant requirements;
- ▶ the dispatch function is properly controlled, and daily activity logs/records are comprehensive and permit measurement of the effectiveness and efficiency of police operations;
- ▶ police activities are adequately documented, and access to PS records, investigative files and criminal offender record information is sufficiently restricted and safeguarded;
- ▶ crime reporting procedures are well controlled and in accordance with federal and state regulations, and relationships with outside agencies comply with the Kristen Smart Campus Security Act;
- ▶ hiring, certification, and training policies comply with POST, performance evaluation administration is consistent and timely, stipends and CTO are administered in compliance with the CBA, and internal investigations are handled in accordance with state regulations, CSU policy and the CBA;
- ▶ crime scene evidence, weapons and other PS equipment are properly handled, accounted for, and safeguarded, and weapon issuance and use comply with state regulations and CSU policy; and
- ▶ parking revenues are adequately controlled, properly accounted for, and used in accordance with CSU policy and state regulations, and parking citation issuance, processing and administration are adequately controlled and in accordance with the Vehicle Code.

SCOPE AND METHODOLOGY

This review emphasized but was not limited to compliance with state and federal laws, Board of Trustee policies, and Office of the Chancellor and campus policies, letters and directives. June 1999 to date was the primary period of review.

Our primary focus involved the internal administrative, compliance and operational controls over policing activities, crime reporting and parking operations. Specifically, we reviewed and tested:

- ▶ procedures for communicating systemwide/campus specific policies, rules and regulations;
- ▶ staffing, scheduling and internal investigation procedures;
- ▶ budgeting procedures, chargeback and stipend processing, POST reimbursements, and the management of grants;
- ▶ dispatch operations, field reporting requirements, and case monitoring procedures;
- ▶ procedures for maintaining and securing public safety records, files and information;
- ▶ procedures for accumulating and reporting crime statistics;
- ▶ hiring, certification and training compliance;
- ▶ procedures for controlling evidence, weapons and other public safety equipment;
- ▶ procedures for controlling and processing parking revenues, parking citations and parking funds; and
- ▶ data security, disaster recover and backup procedures.

BACKGROUND

As a result of a systemwide risk assessment conducted by the Office of the University Auditor during the last quarter of 1999, the Board of Trustees, at its January 2000 meeting, directed that *Public Safety* be reviewed.

The proposed scope of such audits, as presented in Attachment B, Agenda Item 3 of the January 25-26, 2000 meeting of the Committee on Audit, stated that *Public Safety* includes primarily police activities and law enforcement including parking/citations and crime reporting. The proposed audit scope would include the reliability and integrity of information; compliance with laws, policies, plans, procedures and regulations; the safeguarding of assets; the economical and efficient use of resources; and the accomplishment of objectives and goals. *Public Safety* was previously audited in 1992.

The California State University Public Safety Program was developed in 1974, commencing with a two-year pilot project on the Northridge campus. A systemwide committee subsequently forwarded recommendations regarding a “public safety approach” for CSU campuses to the Chancellor. The Chancellor’s Council of Presidents endorsed the recommendations as an appropriate program for the CSU, and then Chancellor Dumke issued a directive in 1977 stating that the necessary actions should be taken to bring the program to fruition.

Throughout the 1980’s, the CSU residence population increased greatly, and the problems associated with this growth were similar to those experienced by small municipal police departments. Sexual assaults, alcohol, drugs and vandalism increased; and legislation mandated more involvement by university police officers in the investigation and prevention of crimes, as well as care for the victims. As a result, public safety departments created policing programs and preventive patrols to deter crime. The growth of on-campus housing also increased the complexity of emergency planning. Parking structures were built on campuses, and an increase in auto burglaries and theft necessitated the need for increased patrols.

The Crime Awareness and Campus Security Act of 1989 became Title II of Public Law 101-542, *The Student Right-to-Know and Campus Security Act of 1990*. President George Bush signed the Act into law on November 8, 1990. The Act amended section 485 of the Higher Education Act of 1965 by adding campus crime statistic and security policy disclosure provisions for colleges and universities. This law (now known as the *Jeanne Clery Act*) applies to all institutions of higher education, both public and private, which participate in any federal student aid programs and requires schools to publicly disclose three years of campus crime statistics and basic security policies. In 1992, the *Campus Sexual Assault Victims’ Bill of Rights* was incorporated into the *Jeanne Clery Act*. In 1998, the *Jeanne Clery Act* was further amended to expand the scope of campus crime statistic reporting, ensure crime statistics are reported in accordance with the FBI’s Uniform Crime Reporting (UCR) program, and require the maintenance of a public police log of all reported crimes as well as a policy to issue timely warnings when a crime, reportable in the annual statistics, is known to the school and poses an ongoing threat to the campus.

In California, the *Kristen Smart Campus Safety Act of 1998* was signed into law on August 11, 1998. This act requires California colleges to promulgate rules requiring each of their respective campuses to enter into written agreements with local law enforcement agencies which will: (1) designate which law enforcement agency has operational responsibility for the investigation of violent crimes occurring on campus, and (2) delineate the specific boundaries of each agency’s operational responsibility.

In the 1990’s, campus police administrators, complying with increased training standards from the Commission on Peace Officer Standards and Training (POST), increased legislation and governmental reporting, crime trends and sophistication, and the need to upgrade and continue the professionalism of campus police agency response, collectively tried to upgrade Campus Public Safety department to Professional Police departments. This included uniform standards, vehicles, equipment, training, emergency preparedness, the development of Critical Response Units (CRU), semi-annual meetings between police chiefs, working closely within the Chancellor’s Human Resources Division, collective bargaining, and updating inadequate polices.

Additionally, the Violent Crime Control and Law Enforcement Act of 1994 (VCCA), which authorized grants to law enforcement agencies to add community policing officers to the streets and advance

community policing, was signed into law on September 13, 1994 and lead to the creation of the Community Oriented Policing Services (COPS) Office. The measure authorized \$8.8 billion over six years for grants to policing agencies to add 100,000 community-policing officers to the nation's streets. Several CSU campuses have received COPS grants, and the CSU Police departments are committed to community policing.

The CSU parking program is a self-supported program financed through the collection of parking fees, fines and forfeitures. Historically, parking fees were remitted to the Dormitory Revenue Fund – Parking to meet the covenants of bond resolutions. These bonds were retired as of July 1, 1995, and the program was decentralized to the campuses as part of the Chancellor's initiative to improve the alignment of responsibility and authority for university programs. Campuses now have a greater role in planning and managing parking resources and must develop local strategies to deal with their parking needs, which could include the issuance of new debt. However, debt issuance remains under the direct authority and approval of the trustees, with campuses individually responsible for the repayments relating to specific projects. The Office of Financing and Treasury coordinates the issuance of parking bonds. In the absence of outstanding bonds and related covenants, two statutes govern the permitted uses of parking revenue funds: Education Code §89701 and §89701.5.

Throughout this report, we will refer to the program as Public Safety (PS). At California State University, Los Angeles (CSULA), the Department of Public Safety (DPS) manages the PS program. This department includes University Police, Parking and Commuter Services.

OPINION

We visited the California State University, Los Angeles campus from June 26, 2000, through August 4, 2000, and audited the procedures in effect at that time.

In our opinion, Department of Public Safety (DPS) operations were adequate to meet campus law enforcement needs, ensure compliance with crime reporting disclosures, and operate a viable parking program. However, our review disclosed certain conditions that would result in errors and irregularities if not corrected. Specifically, the campus did not maintain adequate control over the following areas: the allocation and use of parking monies, transportation subsidies, parking citation processing, chargebacks for services provided to special events, and DPS equipment.

These conditions, along with other weaknesses, are described in the executive summary and in the body of the report.

EXECUTIVE SUMMARY

The purpose of this section is to provide management with an overview of conditions requiring their attention. Areas of review not mentioned in this section were found to be satisfactory. Numbers in brackets [] refer to page numbers in the report.

PARKING PROGRAM [8]

PARKING FUND EXPENDITURES AND ALLOCATIONS [8]

Expenditures of parking funds were not always substantiated, correctly allocated, or used for permitted purposes. Adequate controls over the use and allocation of parking monies ensures that these monies are used for permitted purposes and may increase the amount of funds available for the parking program.

TRANSPORTATION SUBSIDIES [10]

Internal controls involving segregation of duties, deposit and restrictive endorsement of checks, and transportation subsidy purchases and issuance were not adequate. Adequate internal controls reduce the risks of misappropriation or loss of funds and inappropriate expenditures and help ensure the viability of the transit subsidy program.

CITATION PROCESSING CONTROLS [12]

Internal controls over parking citation processing were not adequate. Maintaining adequate internal controls maximizes parking fine revenue and ensures accurate and efficient citation processing.

PUBLIC SAFETY FISCAL ADMINISTRATION [14]

CHARGEBACK CONTROLS [14]

Procedures regarding reimbursement (chargebacks) to the Department of Public Safety (DPS) for security services provided to special events and campus auxiliary enterprises were unsatisfactory. Adequate controls over chargebacks ensure accurate, complete, and timely reimbursements to the DPS and compliance with state policy and increase the funds available for law enforcement activities.

POST FUNDS [16]

Controls over reimbursements from the Commission on Peace Officer Standards and Training (POST) and corresponding POST accounts were not adequate. Adequate controls over POST reimbursements and accounts reduce the risk that misappropriation or loss of funds will not be detected and increase the availability of training funds.

FINGERPRINTING FEES [17]

Controls over Live Scan fingerprinting fees needed to be improved. Satisfactory controls over fingerprinting fees reduce the risk that misappropriation or loss of funds will not be detected.

LOST AND FOUND PROCEEDS [18]

Proceeds from the sale of lost and found items were inappropriately deposited and maintained in an account at University Auxiliary Services (UAS). Maintaining such proceeds in state accounts ensures compliance with state regulations and reduces lost interest.

EVIDENCE, WEAPONS, AND EQUIPMENT CONTROLS [19]

EQUIPMENT [19]

Department of Public Safety (DPS) equipment was not properly authorized and controlled. Proper internal controls and accountability ensure the approval of non-standard equipment and reduce the risk of stolen assets.

WEAPONS AND RETIREE GUN PERMITS [20]

Controls over weapons qualifications and retiree gun permits needed improvement. Satisfactory controls over weapons ensure weapon proficiency, proper firearm use, and compliance with retiree gun permits.

EVIDENCE [22]

Maintenance of evidence records needed improvement. Properly completed evidence records ensure the acceptability of evidence at trial.

PROGRAM ADMINISTRATION [22]

POLICIES AND PROCEDURES [22]

Written policies and procedures had not been fully developed for the Department of Public Safety (DPS), and controls over the distribution and maintenance of the DPS policy and procedure manual needed improvement. Maintenance of a comprehensive policies and procedures manual and controlled distribution reduces misunderstandings of the constraints and expectations related to the performance of duties and functions.

KEY CONTROL [24]

Master key record keeping was in need of improvement. Adequate controls over keys that permit access to the DPS building ensure the confidentiality of data and reduce the risk of unauthorized access to DPS facilities and equipment.

POLICE ACTIVITIES AND CRIME REPORTING [24]

Release of information was not always properly controlled and documented in case files. Properly controlling and documenting the release of information ensure compliance with privacy laws and accountability.

PERSONNEL ADMINISTRATION AND TRAINING [25]

Officers that have completed their probationary period were not notified by the president in writing as to the award of permanent status. Such notification ensures compliance with the Collective Bargaining Agreement.

OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

PARKING PROGRAM

PARKING FUND EXPENDITURES AND ALLOCATIONS

Expenditures of parking funds were not always substantiated, correctly allocated, and used for permitted purposes.

Parking revenues were maintained in two accounts. Parking revenue from the sale of parking passes and daily-parking receipts was deposited into the parking fees account, and revenue from parking fines was deposited to the parking fines account. Our review of account activity disclosed the following:

- ▶ No documentation was available to support the following payments from the parking fees fund:
 - salaries of five public safety personnel;
 - salaries of four facilities services grounds keeping personnel;
 - the salary of one cashier; and
 - \$171,211 for university police salary support for the chief of police, one sergeant and dispatch services.

- ▶ No documentation was available to support the partial payment of an accounting technician from the parking fines fund.

- ▶ Parking fee funds were not always used for permitted purposes or correctly allocated in the following instances:
 - Expenditures related to the purchase of a police vehicle, weapons (shotgun shells), police business cards, and multi-hazard emergency plan copies were fully paid from the parking fee fund.

 - Expenditures for joint office operations of University Police and Parking Services were not correctly allocated. Police vehicle repair and fuel expenses, copier charges, office supplies, dispatch service equipment (such as dispatch video), and Eagle Patrol uniforms were fully paid from the parking fee fund.

 - Service fees totaling \$49,999 for the citation processing company were paid from the parking fee fund versus the parking fines fund.

 - The full salary of the police chief's secretary was paid from the parking fee fund even though at least 50% of her time was spent on police administrative duties.

Education Code §89701 states, in part, that all revenues received from parking facilities, to the extent not pledged in connection with bonds or notes issued pursuant to the CSU Revenue Bond Act of 1947, are appropriated for the acquisition, construction, operation, and maintenance of parking facilities, and for the study development, enhancement operation, and maintenance of alternate methods of transportation.

Education Code §89701.5 states, in part, that monies received as parking fines and forfeitures shall be used exclusively for the development, enhancement, and operation of alternate methods of transportation programs for students and employees, for the mitigation of the impact of off-campus student and employee parking in university communities, and for the administration of the parking fines and forfeitures programs.

CSU directive BA 83-30, *Policy on Chargeable Services to Self-Supporting Operations*, dated December 28, 1983, states that funds provided from the general fund may be used to provide support for ancillary operations if there is recovery of the cost of such support. In the absence of specific CSU policy, recovery for the cost of support shall include the incremental costs of providing the support. Support provided should be in accordance with appropriate written agreements that include the basis and rationale for the valuation.

The parking services manager acknowledged the need for the proper documentation of parking allocations and the proper use of parking funds; however, he stated that most of these practices were in place when he joined the department.

Inadequate controls over the use and allocation of parking monies increase the risk of inappropriate expenditures and reduce the amount of funds available for the parking program.

Recommendation 1

We recommend that the campus:

- a. strengthen procedures to ensure that expenditures of parking funds are adequately documented to demonstrate compliance with the Education Code;
- b. analyze parking fund disbursements for fiscal year 1999/2000 and reimburse the appropriate funds and accounts for the aforementioned inappropriate expenditures;
- c. strengthen procedures to ensure that shared office costs are appropriately allocated; and
- d. determine the amount of services provided to parking operations by each campus provider, taking into consideration the specific Education Code restrictions, and include the services in the campus annual written cost allocation plan.

Campus Response

- a. An internal memorandum detailing the regulatory requirements for parking fund expenditures has been distributed to Parking Services. The memorandum will serve as the procedural guidelines for parking fund expenditures.
- b. The issue of “inappropriate expenditures” has been placed under review. The expenditures related to the amount of appropriate funding owed to University Police for services provided will be determined through the analysis in bullet “d” of this recommendation.
- c. The appropriate level of shared office costs will be determined through the analysis in bullet “d” of this recommendation.
- d. An analysis to determine the services provided to Parking by each campus provider will be completed by May 2001. The first analysis will be performed using 1999 and 2000 data. As a part of this analysis, the direct and indirect costs will be calculated to determine the expenditures that are associated with Parking. This analysis will be performed annually and Parking will be assessed a lump sum for the total cost.

TRANSPORTATION SUBSIDIES

Internal controls involving segregation of duties, deposit and restrictive endorsement of checks, and transportation subsidy purchases and issuance were not adequate.

We noted that:

- ▶ Commuter Services received checks from the State Controller’s Office (SCO) as collection revenue for individuals with payroll deductions for vanpool fares and transit passes. Our review disclosed that:
 - An adequate segregation of duties was not maintained over these funds since one individual was responsible for preparing the deposit, monitoring the budget, and verifying that the deposit was posted to the correct account.
 - Checks received from the SCO were not endorsed upon receipt and were forwarded to financial management instead of directly to the campus Cashier’s Office. Additionally, deposit confirmation was not returned to Commuter Services to ensure that the deposit was received in the Cashier’s Office and, due to lack of PeopleSoft reports, Commuter Services had not been able to verify that deposits had been posted to their account since the end of March 2000.
- ▶ Individuals who preferred not to have payroll deductions for transit passes obtained transit checks from Commuter Services, which could be used to purchase rail/bus passes. Our review disclosed that:
 - Although individuals were required to show identification when picking up a transit check, they were not required to sign for receipt of the check, and transit checks that were not picked up

- were assigned to other individuals. However, no audit trail was maintained of the reassignment. In addition, transit check purchases were not reconciled to transit checks issued.
- No documentation was available to support the use of Work/Life Benefits as a sole source vendor for transit check purchases.
 - ▶ Commuter Services purchased train passes from Metrolink. Our review disclosed that:
 - An adequate segregation of duties was not maintained over train passes because the same individual placed orders with Metrolink, received the passes, distributed the passes, approved invoice payment and monitored the budget.
 - Written procedures had not been established to verify Metrolink billings to train passes received.

SAM §8023 requires that all checks, money orders, and warrants received for deposit be restrictively endorsed for deposit as soon as practicable after receipt, but no later than the end of the working day.

SAM §8021 states that a separate series of transfer receipts will be used to localize accountability for cash or negotiable instruments to a specific employee from the time of its receipt to its deposit. Further, the receiving employee will sign a receipt whenever cash or checks not payable to the agency are transferred between employees. Agencies will retain copies of these receipts.

SAM §8032.3 states that except where the supervisor and the person depositing cash are not at the same location, the person supervising the person depositing cash will verify that receipts have been deposited intact.

SAM §20003 states that the elements of a satisfactory system of internal accounting and administrative control include, but are not limited to, a system of authorization and record keeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures.

The CSU Policy Manual for Contracting and Procurement (Release 1.4) §302 states that except in cases where it has been determined that there is but one source which can properly meet the needs of the campus, all purchases of \$10,000 or more (excluding sales tax and shipping costs) must be formally bid and awarded to the lowest responsible bidder meeting specifications. Section 210.08 of the same manual states that splitting of purchases or contracts in order to avoid the competitive bidding requirements prescribed in law, regulation, or policy, is prohibited.

The chief of police stated that due to the lack of staff, segregation of duties was not always possible. The transportation program manager stated that the sole source contract for the vendor “Work & Life Benefits” could not be located.

Inadequate internal controls over transit subsidies increase the risks of misappropriations or loss of funds and inappropriate expenditures, which could negatively impact the transit subsidy program.

Recommendation 2

We recommend that the campus:

- a. establish proper segregation of duties for the handling of transit subsidies by Commuter Services;
- b. establish formalized written procedures to control, monitor and reconcile transit checks and train passes ordered versus issued and verify the propriety of Metrolink billings;
- c. establish procedures for supervisor verification of check deposits and consider modifying procedures to forward the checks directly to the campus cashier's office; and
- d. review and modify the relationship with the vendor "Work/Life Benefits" to ensure compliance with CSU contracting and procurement guidelines.

Campus Response

- a. Positional responsibilities for Commuter Services personnel have been updated. The functions of transit subsidies processing is now divided between the three staff positions assigned to Commuter Services.
- b. Procedures have been updated. The transit checks and the Metrolink billings are and will be reconciled monthly.
- c. Procedures have been updated. Commuter Services are now receiving deposit records from the Cashier's Office.
- d. The sole source justification for "Work/Life Benefits" was misplaced and could not be located during audit. A new sole source justification has been reestablished.

CITATION PROCESSING CONTROLS

Internal controls over parking citation processing were not adequate.

We noted that:

- ▶ A parking citation receivable control account total had not been established on the campus accounting records. Such an account would serve as a crosscheck for verifying the accuracy of subsidiary records maintained by the parking department. Parking fine revenue for fiscal year 1999/2000 was \$325,344.
- ▶ Parking Services used Phoenix Group Information Systems (The Phoenix Group) for parking citation processing. We found that procedures had not been developed to control, monitor and reconcile parking citation processing to ensure the accuracy of vendor billings and compliance with the vendor agreement. A review of the March 2000 ticket statistics report showed that 1,215 citations (without including the warnings) were issued; however, the department was billed for 1,246 citations by the vendor. We were unable to account for the difference.

- ▶ A review of 25 cancelled citations disclosed that the officer did not sign the voided citation in three instances including the reason for voiding the citation in one other instance.

SAM §20003 states that the elements of a satisfactory system of internal administrative control include, but are not limited to, an effective system of internal review and record keeping procedures adequate to provide effective control over assets, liabilities, revenues, and expenditures. The elements are expected to provide internal checks and balances.

Campus Parking Enforcement Guidelines, Number IV-8, dated October 6, 1998, states that the issuing officer is to write a brief explanation on the citation, sign the citation, and submit the original to the parking services manager when a citation is voided.

The chief of police stated that the establishment of a citation receivable control account and controlling, monitoring and reconciling parking citation processing was very difficult. The parking services manager stated that the exceptions noted with the voided citations were management oversights.

The lack of adequate internal controls could result in reduced parking fine revenue, inaccurate and inefficient citation processing, and non-compliance with the vendor agreement and campus policy.

Recommendation 3

We recommend that the campus:

- a. record outstanding parking citation receivables on the campus accounting records and regularly reconcile subsidiary detail records to that control total;
- b. establish formalized written procedures to control, monitor and reconcile parking citation processing and verify citation processing billings to ensure the accuracy of vendor billings and compliance with the vendor agreement; and
- c. remind all officers of the appropriate procedures for voiding a citation.

Campus Response

- a. To satisfy the control objective, the total outstanding balance of parking citations will be reconciled monthly. The reconciliation will be reviewed by the Parking Manager. This reconciliation will be implemented in February 2001.
- b. Reconciliation procedures will be implemented by May 2001. Quarterly, the parking citations issued will be reconciled to those billed by the Phoenix Group. The Parking office will inquire with the Phoenix Group for differences greater than one percent. It should be noted that the cost of each citation is \$1.09 and the net difference identified during the audit was 11 citations or \$11.99.
- c. Officers have been reminded of the appropriate procedures for voiding a citation.

PUBLIC SAFETY FISCAL ADMINISTRATION

CHARGEBACK CONTROLS

Procedures regarding reimbursement (chargebacks) to the Department of Public Safety (DPS) for security services provided to special events and campus auxiliary enterprises were unsatisfactory.

We noted that:

- ▶ Formalized written procedures had not been established for special event payroll processing and event sponsor billing to ensure that chargebacks are processed in a timely and accurate manner for all services provided to special events and corresponding reimbursements are received.
- ▶ A review of 25 special event billings disclosed one or more problems with four of the billings. Three billings were prepared at least three months late, the wrong overtime rate was used in two instances, and estimated costs instead of actual costs were billed to the event sponsor in one other instance.
- ▶ Although the chargebacks were to non-general fund operations, employee benefits, and state and federal unemployment compensation were not included, as required.
- ▶ Overhead was not being applied to chargebacks.
- ▶ The parking fee for scheduled events at the Luckman Theater was \$5 per vehicle, and the parking revenue received was applied towards the expense of public safety personnel assigned to the events (i.e., traffic control, parking assistance, and security) and related costs. However, no written agreement was available to document this arrangement with Luckman Theater. In addition, the use of parking fee revenue for public safety services at special events was not an appropriate expenditure of parking fees.
- ▶ Auxiliary enterprises (i.e. Housing, University Auxiliary Services) were not being charged for DPS services provided to their respective areas on campus.

SAM §8752 indicates that state policy is for departments to recover full costs whenever goods or services are provided to others.

SAM §8740 establishes the formula for determining hourly rates including staff benefits for the billing of services of employees paid on a monthly basis.

CSU directive BA 83-30, *Policy on Chargeable Services to Self-Supporting Operations*, dated December 28, 1983, states that funds provided from the general fund may be used to provide support for ancillary operations if there is recovery of the cost of such support. In the absence of specific CSU policy, recovery for the cost of support shall include the incremental costs of providing the support. Support provided should be in accordance with appropriate written agreements that include the basis

and rationale for the valuation. (*Executive Order No .753, Allocation of Costs to Auxiliary Enterprises, effective July 28, 2000, superseded this directive*).

Executive Order No. 753, *Allocation of Costs to Auxiliary Enterprises*, dated July 28, 2000, states that auxiliary enterprises shall be charged the allowable direct costs plus an allocable portion of indirect costs associated with facilities, goods, and services provided by the University funded from the General Fund. Cost allocations shall be determined in accordance with a written cost allocation plan approved annually by the campus chief financial officer.

Education Code §89701 states, in part, that all revenues received from parking facilities, to the extent not pledged in connection with bonds or notes issued pursuant to the CSU Revenue Bond Act of 1947, are appropriated for the acquisition, construction, operation, and maintenance of parking facilities, and for the study development, enhancement operation, and maintenance of alternate methods of transportation.

SAM §20003 states that a satisfactory system of internal accounting and administrative control shall include a system of record keeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures.

The chief of police indicated that he was not aware of the requirements.

Inadequate controls over chargebacks increase the risk of inaccurate, incomplete, and untimely reimbursement to the department and non-compliance with state policy, and reduce funds available for department operations.

Recommendation 4

We recommend that the campus:

- a. formalize procedures for special event payroll processing and event sponsor billing to ensure chargebacks are processed in a timely and accurate manner for all services provided to special events and corresponding reimbursements are received;
- b. establish procedures to ensure that current labor rates and actual costs are used, and chargebacks to non-general fund operations include benefits;
- c. develop a definable DPS overhead rate and apply the rate to all special event billings;
- d. discontinue the practice of using Luckman Theater parking revenue to support public safety services at special events and establish procedures to properly charge the Luckman Theater for services in compliance with CSU and state policies; and
- e. determine the amount of DPS services provided to campus auxiliary enterprises and include the services in the campus annual written cost allocation plan to ensure that the DPS is fully reimbursed for services provided.

Campus Response

- a. Formalized written procedures have been established for the event payroll processing and billing to ensure timely and accurate charge backs.
- b. Procedures have been established to ensure current labor rates and actual costs are used in charge backs to non-general fund operations. Compensation will include actual costs including benefits.
- c. A definable overhead rate has been developed based on average time utilized for event planning, management reporting, and assignment of personnel.
- d. Future activities performed by the University Policy outside of parking related duties will be identified as the responsibility of the Luckman Theater. The Luckman Theater will be separately billed for these expenses. The billing will follow the procedures established in bullet "a" of this recommendation.
- e. In connection with recommendation 1, services provided by DPS to auxiliary enterprises (Housing and Parking) will be determined on an annual basis through analysis of actual services provided over an established period of time. This will then become part of the budget process. The analysis will be completed by May 2001.

POST FUNDS

Controls over reimbursements from the Commission on Peace Officer Standards and Training (POST) and corresponding POST accounts were not adequate.

We noted that:

- ▶ An adequate segregation of duties was not maintained over POST monies since one individual received POST reimbursement checks, prepared the deposit, maintained the POST training records and monitored the Department of Public Safety (DPS) budget.
- ▶ POST reimbursement checks received in the DPS were not restrictively endorsed upon receipt and were forwarded to the campus travel coordinator instead of being directly deposited to the campus cashier's office. Additionally, deposit confirmation was not returned to the DPS to ensure that the deposit was received in the cashier's office and, due to a lack of PeopleSoft reports, the DPS had not been able to verify deposits posted to their account since the end of March 2000.

SAM §8023 requires that all checks, money orders, and warrants received for deposit be restrictively endorsed for deposit as soon as practicable after receipt, but no later than the end of the working day.

SAM §8021 states that a separate series of transfer receipts will be used to localize accountability for cash or negotiable instruments to a specific employee from the time of its receipt to its deposit. Further, the receiving employee will sign a receipt whenever cash or checks not payable to the agency are transferred between employees. Agencies will retain copies of these receipts.

SAM §8032.3 states that except where the supervisor and the person depositing cash are not at the same location, the person supervising the person depositing cash will verify that receipts have been deposited intact.

SAM §20003 states that a satisfactory system of internal accounting and administrative control shall include segregation of duties appropriate for proper safeguarding of assets and a system of record keeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures.

The chief of police stated that due to the lack of staff, segregation of duties was not always possible.

Inadequate controls over POST training reimbursements and accounts increase the risks that reimbursements will not be received, misappropriation of funds will not be detected, and the availability of training funds will be reduced.

Recommendation 5

We recommend that the campus:

- a. endorse checks upon receipt, establish procedures for supervisor verification of check deposits, and consider modifying procedures to forward the checks directly to the campus cashier's office; and
- b. establish proper segregation of duties for handling POST reimbursements.

Campus Response

Procedures have been updated. Checks will be endorsed at the time of receipt and the POST reimbursements are and will be reconciled monthly. Also, the functions of check collections, deposits, and reconciliations are segregated.

FINGERPRINTING FEES

Controls over Live Scan fingerprinting fees needed to be improved.

The Department of Public Safety (DPS) recently started using Live Scan equipment received from the Department of Justice (DOJ) for fingerprinting. The DOJ provided this equipment so that CSULA could provide fingerprinting services on a community-wide basis.

We noted that:

- ▶ The same individual who prepared the deposit for fingerprinting fees, forwarded it to campus cashing, and reconciled the deposit to the cashing receipt. This did not represent a proper segregation of duties.
- ▶ Fingerprinting applications were not reconciled to fees collected.

- ▶ Checks received for the fingerprinting fees were not being restrictively endorsed as soon as practicable after receipt. This was because DPS did not have an endorsement stamp.

SAM §20003 states that a satisfactory system of internal accounting and administrative control shall include segregation of duties appropriate for proper safeguarding of assets and a system of record keeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures.

SAM §8032.3 states that except where the supervisor and the person depositing cash are not at the same location, the person supervising the person depositing cash will verify that receipts have been deposited intact.

SAM §8023 requires that all checks, money orders, and warrants received for deposit be restrictively endorsed for deposit as soon as practicable after receipt, but no later than the end of the working day.

The chief of police stated that due to the lack of staff, segregation of duties was not always possible. Unsatisfactory controls over Live Scan fingerprinting fees increase the risk that misappropriation of funds will not be detected.

Recommendation 6

We recommend that the campus strengthen procedures to control, monitor and reconcile fingerprinting fees to applications, ensure a proper segregation of duties, and endorse checks by the end of the workday.

Campus Response

Procedures have been updated. Cash customers are directed to the Cashier's Office. Checks will be endorsed at the time of receipt and the Live Scan fees are and will be reconciled monthly. Also, the functions of check collections, deposits, and reconciliations are segregated.

LOST AND FOUND PROCEEDS

Proceeds from the sale of lost and found items were inappropriately deposited and maintained in an account at University Auxiliary Services (UAS).

CCR Title 10 §42376 states that proceeds from the sale of lost property may be invested by the State Treasurer.

Government Code §16305.2 states that all money in the possession of or collected by any state agency or department is subject to the provisions of Sections §16305.3 to §16305.7, inclusive and is hereafter referred to as state money.

The chief of police stated that depositing lost and found sale proceeds in the UAS account was originally done as a management oversight tool to separate the funds and to monitor them. This was established prior to his arrival.

Not maintaining lost and found proceeds in state accounts increases the risks of non-compliance with government code and loss of interest.

Recommendation 7

We recommend that the campus maintain current and future proceeds from the sale of lost and found items in a state account.

Campus Response

The lost and found sales proceeds have been moved to a State Trust Account.

EVIDENCE, WEAPONS, AND EQUIPMENT CONTROLS

EQUIPMENT

Department of Public Safety (DPS) equipment was not properly authorized and controlled.

We noted that:

- ▶ Written authorization on the use of pepper spray and riot helmet/visor has not been issued by the campus president.
- ▶ Records regarding equipment issued to officers were not up to date. Several articles of equipment required by the Collective Bargaining Agreement (CBA) between the CSU Board of Trustees and the Statewide University Police Association (SUPA) were not documented as being issued to the officers.
- ▶ Our review of 15 items from campus property records for the DPS showed that two items could not be located, four items were in different locations than indicated in the property records, one item did not have a state tag, and one item was tagged incorrectly. In addition, a radio receiver deemed “un-repairable” had not been surveyed off.

Article 10 of the Collective Bargaining Agreement (CBA) between the CSU Board of Trustees and the Statewide University Police Association (SUPA), for July 1, 1998 through June 30, 2001, states that the following equipment, when required by the president, shall be available in each public safety department: mace and holder, shotgun, riot helmet and visor, gas mask and cartridge, and coveralls. In

addition, the CBA requires that the CSU provide each employee with certain equipment for employee safety.

SAM §3520.5 states that a properly executed property survey report must be executed when disposing of state-owned property.

SAM §20003 states that the elements of a satisfactory system of internal administrative control include, but are not limited to, an effective system of internal review and record keeping procedures adequate to provide effective control over assets.

The chief of police stated that campus administration was not aware of the requirement for presidential approval to issue equipment as delineated in the CBA. The lieutenant acknowledged that the records of equipment issued needed improvement. He further stated that the exceptions noted at the property inventory taking were oversights.

Internal controls over DPS equipment are compromised when the use of non-standard equipment is not properly approved, and the risk of loss increases when accountability is not maintained over DPS equipment.

Recommendation 8

We recommend that the campus:

- a. obtain written authorization from the president for the use of pepper spray and riot helmet/visor and strengthen procedures to ensure that the use all of non-standard equipment is properly approved;
- b. develop comprehensive records of all equipment issued to police officers; and
- c. strengthen procedures to ensure that property records are accurate and property survey reports are prepared as required.

Campus Response

- a. Written authorization from the President on weapons and equipment listed in the bargaining agreement has been obtained.
- b. A new process maintaining equipment inventory listings has been instituted. An equipment inventory sheet will be maintained for each officer.
- c. Procedures have been updated. The updated procedure includes an annual physical inventory of Public Safety equipment.

WEAPONS AND RETIREE GUN PERMITS

Controls over weapons qualifications and retiree gun permits needed improvement.

We noted that:

- ▶ The lieutenant had not completed annual MP5 weapon qualifications and had not qualified with his semi-automatic handgun as often as required by department internal procedures.
- ▶ Procedures had not been established to ensure that retirees with gun permits qualify at least once every twelve months at their own expense.

Campus *Use of Force*, Number IV-1, dated April 12, 2000, states that all line personnel, from officer through lieutenant, shall demonstrate proficiency with all approved lethal weapons as follows: a) department issued weapons, bimonthly, b) approved to carry personal weapons, twice per year, and c) MP-5, annually.

Penal Code §12027 states, in part, that any peace officer as described in the code that has been honorably retired shall be issued an identification certificate by the law enforcement agency from which the officer retired. The certificate shall include an endorsement stamp indicating whether the issuing agency approves of the retiree carrying a concealed firearm (CCW) and the date the endorsement is to be renewed.

CSU policy, *Retired Officers' Identification Card*, requires retired officers who wish to carry a firearm to complete a Retired Officer Declaration form, which requires that a weapons proficiency course be completed at least every twelve months and the retiree to petition the Public Safety department for renewal of the CCW endorsement every five years. The original copy of the declaration is to be retained in the Public Safety department.

The chief of police acknowledged the need for improvement over weapon qualifications and stated that he had been working on department standards since his appointment. He further stated that records for retired officers were not maintained prior to his appointment.

Unsatisfactory controls over weapons increase the risks of poor weapon proficiency, improper firearm use, and non-compliance with retiree gun permit requirements.

Recommendation 9

We recommend that the campus:

- a. establish procedures to ensure that all sworn personnel meet minimum weapons qualifications with on-duty weapons, off-duty weapons and shotguns, if used; and
- b. obtain clarification from the CSU General Counsel regarding retiree gun permit requirements.

Campus Response

- a. A written directive has been established and distributed providing in-depth details related to weapons and firearm training.

- b. A formal letter has been developed and will be sent annually to each retiree as a reminder of their qualification requirements. Any retiree who fails to meet the qualification requirements will be notified of the suspension of their qualification to carry a weapon.

EVIDENCE

Maintenance of evidence records needed improvement.

Our review of 25 items in evidence disclosed four instances where the evidence received date was not recorded.

The IACLEA Manual, *Standards for Campus Law Enforcement, Public Safety, and Security Agencies*, Chapter 22, states, in part, that the record of transfer of physical evidence should include the date and time of transfer.

Campus *Evidence Procedure*, Number III-1, dated August 25, 1998, states that the evidence controller will keep written records accounting for all movement of evidence. This accounting will include the evidence controller's name, date and time, and the name of the person withdrawing the property.

The corporal acting as evidence controller stated that the missing dates resulted from a management oversight.

Incomplete evidence records increase the risk of unacceptable evidence at trial.

Recommendation 10

We recommend that the campus strengthen procedures over the maintenance of evidence records.

Campus Response

Procedures have been updated. A new written records directive and applicable forms have been developed and are presently in use.

PROGRAM ADMINISTRATION

POLICIES AND PROCEDURES

Written policies and procedures had not been fully developed for the Department of Public Safety (DPS), and controls over the distribution and maintenance of the DPS policy and procedure manual needed improvement.

We noted that:

- ▶ Written policies and procedures were not developed for the award of special assignment stipends.
- ▶ Written acknowledgement of receipt was not consistently obtained to document receipt of the DPS policies and procedures manual. Our review of files for police officers disclosed that written acknowledgements were not on file for 13 of 17 (76%) officers. We noted that the dispatcher's manual did not include the new procedure regarding radio communications and dispatch procedures.

Article 21.25 of the Collective Bargaining Agreement (CBA) between the CSU Board of Trustees and the Statewide University Police Association (SUPA), for July 1, 1998 through June 30, 2001, states that the special assignments shall be based on campus needs as determined by the Chief of Police.

SAM §20003 states that a satisfactory system of internal administrative control shall include, but not be limited to, an established system of practices to be followed in performance of duties and functions.

The IACLEA Manual, *Standards for Campus Law Enforcement, Public Safety, and Security Agencies*, Chapter 4, states that the agency should establish a formal written directives system to provide employees with a clear understanding of the constraints and expectations relating to the performance of their duties. This formal written directives system should include, in part, procedures for indexing, purging, updating, and revising directives.

The chief of police stated that due to their application for national accreditation through the Commission of Law Enforcement Agencies, the department was in the process of updating its manuals. He further stated that not obtaining written acknowledgements of manual receipts and performing verifications of manual completeness were oversights.

Failure to maintain a comprehensive policies and procedures manual and acknowledgement of manual distribution could compromise internal controls and result in misunderstandings of the constraints and expectations related to the performance of duties and functions.

Recommendation 11

We recommend that the campus:

- a. develop and distribute formalized policies and procedures for the award of special assignment stipends; and
- b. strengthen procedures over the distribution and maintenance of the DPS policies and procedures to ensure acknowledgement of receipt for new/updated policies and procedures.

Campus Response

- a. A new procedure has been established covering the award of special assignment stipends.

- b. A new procedural manual was under development during the time of audit. The procedural manual has been completed. The new procedures for annual distribution include a receipt for a paper or CD copy of the manual.

KEY CONTROL

Master key record keeping was in need of improvement.

Our review showed that master key records were not accurate. We could not locate three great grand and three grand master keys issued to the dispatch function. In addition, one master key reported as stolen in 1997 was not deleted from the master key records.

SAM §20003 states that the elements of a satisfactory system of internal administrative control include, but are not limited to, a plan that limits access to assets to authorized personnel who require these assets in the performance of their assigned duties.

The chief of police stated that these deficiencies were due to weaknesses with former record keeping. He further stated that the department was in the process of reviewing and updating the key records.

Not maintaining adequate control over master keys increases the risk of unauthorized disclosure of confidential data and access to DPS equipment.

Recommendation 12

We recommend that the campus update its master key records and strengthen procedures for continuous updating of its master key records.

Campus Response

Procedures have been updated. Written guidelines and forms have been update in the department's Written Directives. The Key Record database system has been updated and aligned with the key request cards.

POLICE ACTIVITIES AND CRIME REPORTING

Release of information was not always properly controlled and documented in case files.

We noted that:

- ▶ A review of 25 case files disclosed that the release of information was not documented for two case files and properly approved for another case file. In the later instance, the individual requesting the

information did not sign the report request form, and the custodian of records had not annotated the form.

- ▶ Criminal activity information was sent to the Chancellor's Office for the compilation of systemwide crime statistics by the public safety coordinator. However, arrest registers included in the crime information package by the Department of Public Safety (DPS) included juvenile records.

Campus Records Management Procedure, Number II-1, dated June 12, 2000, requires that the requesting party must complete a CSULA University Police Report Request form for all police reports. Further, the form requires a notation by the custodian of records whenever a report is released.

The Welfare and Institutions Code §827 gives the juvenile court control over the release of all juvenile information to be disclosed to third parties by any law enforcement official. The campus Records Management Procedure also refers to this code.

The dispatch and records supervisor stated that not properly filling out the report request forms was a management oversight. The chief of police and the lieutenant stated that they were not aware that the arrest registers sent to the Chancellor's Office included juvenile records. Corrective action was taken immediately.

Improperly documenting the release of information decreases accountability and compliance with privacy laws.

Recommendation 13

We recommend that the campus strengthen procedures to ensure that the release of information is properly controlled and documented.

Campus Response

Procedures have been updated. A revision of the Written Directive for Records Management is complete and includes Security on Information, Exemptions to the Release of Information, Selective Disclosure Information, Juvenile Records, and Government and Penal Code references.

PERSONNEL ADMINISTRATION AND TRAINING

Officers that have completed their probationary period were not notified by the president in writing as to the award of permanent status.

Article 13.11 of the Collective Bargaining Agreement (CBA) between the CSU Board of Trustees and the Statewide University Police Association (SUPA), for July 1, 1998 through June 30, 2001, states that an employee shall be notified in writing by the president as to the award of permanent status.

The chief of police stated that he was not aware of this requirement.

The lack of notification by the campus president in writing as to the award of permanent status results in non-compliance with the CBA.

Recommendation 14

We recommend that the campus establish procedures to comply with the CBA notification requirements.

Campus Response

Procedures have been updated to comply with the CBA notification requirements.

APPENDIX A: PERSONNEL CONTACTED

<u>Name</u>	<u>Title</u>
James M. Rosser	President
Phillip F. Boone	Sergeant
Desiree D. Bumgarner	Assistant to the Chief
Cynthia Burks	Supervisor, General Accounting
Fausto Cáceres	Lead Payroll Technician
Raul R. Casanova	Police Officer
Martha Casillas	Administrative Analyst Specialist
Pamela Curran	Dispatcher
Jo Anne Disney	Collection Analyst
Vicki Enriquez	Administration Operations Analyst
Carmen E. Gachupin	Transportation Program Manager
Ann Harris	Accounts Receivable Supervisor
John A. Hernandez	Lieutenant/Assistant Director
Robert Horch II	Parking Manager
Greg King	Chief of Police
Yuet K. Lee	University Internal Auditor
George Limeli	Information Technology Consultant
Rosa D. Mejia	Records/Dispatch Supervisor
Kevin Millinger	Sergeant
Joseph F. Mitchell	Manager, Materials Management
Frank Navarro	Detective/Corporal
Sri Renganathan	University Controller
Monica Rico	Transportation Program Assistant
Michelle Tcheng	Cashier's Office
Ronnie Wills	Operations Supervisor

ATTACHMENT, 00-41

Recommendation 1

We recommend the campus:

- a. strengthen procedures to ensure that expenditures of parking funds are adequately documented to demonstrate compliance with the Education Code;
- b. analyze parking fund disbursements for fiscal year 1999/2000 and reimburse the appropriate funds and accounts for the aforementioned inappropriate expenditures;
- c. strengthen procedures to ensure that shared office costs are appropriately allocated; and
- d. determine the amount of services provided to parking operations by each campus provider, taking into consideration the specific Education Code restrictions, and include the services in the campus annual written allocation plan.

Campus Response

- a. An internal memorandum detailing the regulatory requirements for parking fund expenditures has been distributed to Parking Services. The memorandum will serve as the procedural guidelines for parking fund expenditures.
- b. The issue of "inappropriate expenditures" has been placed under review. The expenditures related to the amount of appropriate funding owed to University Police for services provided will be determined through the analysis in bullet "d" of this recommendation. If the costs owed to the Police exceed the expenditures depicted as inappropriate, then reimbursement will not be considered.
- c. The appropriate level of shared office costs will be determined through the analysis in bullet "d" of this recommendation.
- d. An analysis to determine the services provided to Parking by each campus provider will be completed by May 2001. The first analysis will be performed using 1999 and 2000 data. As a part of this analysis, the direct and indirect costs will be calculated to determine the expenditures that are associated with Parking. This analysis will be performed annually and Parking will be assessed a lump sum for the total cost.

Recommendation 2

We recommend that the campus:

- a. establish proper segregation of duties for the handling of transit subsidies by Commuter Services;
- b. establish formalized written procedures to control, monitor and reconcile transit checks and train passes ordered versus issued and verify the propriety of Metrolink billings;
- c. establish procedures for supervisor verification of check deposits and consider modifying procedures to forward the checks directly to the Cashier's Office; and
- d. review and modify the relationship with the vendor "Work/Life Benefits" to ensure compliance with CSU contracting and procurement guidelines.

Campus Response

- a. Positional responsibilities for Commuter Services personnel have been updated. The functions of transit subsidies processing is now divided between the three staff positions assigned to Commuter Services.
- b. Procedures have been updated. The transit checks and the Metrolink billings are and will be reconciled monthly.
- c. Procedures have been updated. Commuter Services are now receiving deposit records from the Cashier's Office.
- d. The sole source justification for "Work/Life Benefits" was misplaced and could not be located during audit. A new sole source justification has been reestablished.

ATTACHMENT, 00-41

Recommendation 3

We recommend that the campus:

- a. record outstanding parking citation receivables on the campus accounting records and regularly reconcile subsidiary detail records to that control total;
- b. establish formalized written procedures to control, monitor and reconcile parking citation processing and verify citation processing billings to ensure the accuracy of vendor billings and compliance with the vendor agreement; and
- c. remind all officers of the appropriate procedures for voiding a citation.

Campus Response

- a. To satisfy the control objective, the total outstanding balance of parking citations will be reconciled monthly. The reconciliation will be reviewed by the Parking Manager. This reconciliation will be implemented in February 2001.
- b. Reconciliation procedures will be implemented by May 2001. Quarterly, the parking citations issued will be reconciled to those billed by the Phoenix Group. The Parking office will inquire with the Phoenix Group for differences greater than one percent. It should be noted that the cost of each citation is \$1.09 and the net difference identified during the audit was 11 citations or \$11.99.
- c. Officers have been reminded of the appropriate procedures for voiding a citation.

Recommendation 4

We recommend that the campus:

- a. formalize procedures for special event payroll processing and event sponsor billing to ensure charge-backs are processed in a timely and accurate manner for all services provided to special events and corresponding reimbursements are received;
- b. establish procedures to ensure that current labor rates and actual costs are used, and charge-backs to non-general fund operations include benefits;
- c. develop a definable Department of Public Safety overhead rate to all special event billings;
- d. discontinue the practice of using Luckman Theater parking revenue to support public safety services at special events and establish procedures to properly charge the Luckman Theater for services in compliance with CSU and state policies; and
- e. determine the amount of Department of Public Safety services provided to campus auxiliary enterprises and include the services in the annual written cost allocation plan to ensure that the DPS is fully reimbursed for services provided.

Campus Response

- a. Formalized written procedures have been established for the event payroll processing and billing to ensure timely and accurate charge-backs.
- b. Procedures have been established to ensure current labor rates and actual costs are used in charge-backs to non-general fund operations. Compensation will include actual costs including benefits.
- c. A definable overhead rate has been developed based on average time utilized for event planning, management reporting, and assignment of personnel.
- d. Future activities performed by the University Policy outside of parking related duties will be identified as the responsibility of the Luckman Theater. The Luckman Theater will be separately billed for these expenses. The billing will follow the procedures established in bullet "a" of this recommendation.
- e. In connection with recommendation 1, services provided by DPS to auxiliary enterprises (Housing and Parking) will be determined on an annual basis through analysis of actual services provided over an established period of time. This will then become part of the budget process. The analysis will be completed by May 2001.

ATTACHMENT, 00-41

Recommendation 5

We recommend that the campus:

- a. endorse checks upon receipt, establish procedures for supervisor verification of check deposits, and consider modifying procedures to forward the checks directly to the campus Cashier's Office; and
- b. establish proper segregation of duties for handling POST reimbursements.

Campus Response

Procedures have been updated. Checks will be endorsed at the time of receipt and the POST reimbursements are and will be reconciled monthly. Also, the functions of check collections, deposits, and reconciliations are segregated.

Recommendation 6

We recommend that the campus strengthen procedures to control, monitor and reconcile fingerprinting fees to applications, ensure a proper segregation of duties, and endorse checks by the end of the workday.

Campus Response

Procedures have been updated. Cash customers are directed to the Cashier's Office. Checks will be endorsed at the time of receipt and the Live Scan fees are and will be reconciled monthly. Also, the functions of check collections, deposits, and reconciliations are segregated.

Recommendation 7

We recommend that the campus maintain current and future proceeds from the sale of lost and found items in a state account.

Campus Response

The lost and found sales proceeds have been moved to a State Trust Account.

Recommendation 8

We recommend the campus:

- a. obtain written authorization from the President for the use of pepper spray and riot helmet/visor and strengthen procedures to ensure that the use of all non-standard equipment is properly approved;
- b. develop comprehensive records of all equipment issued to police officers; and
- c. strengthen procedures to ensure that property records are accurate and property survey reports are prepared as required.

Campus Response

- a. Written authorization from the President on weapons and equipment listed in the bargaining agreement has been obtained.
- b. A new process maintaining equipment inventory listings has been instituted. An equipment inventory sheet will be maintained for each officer.
- c. Procedures have been updated. The updated procedure includes an annual physical inventory of Public Safety equipment.

ATTACHMENT, 00-41

Recommendation 9

We recommend that the campus:

- a. establish procedures to ensure that all sworn personnel meet minimum weapons qualifications with on-duty weapons, off-duty weapons and shotguns, if used; and
- b. obtain clarification from the CSU General Counsel regarding retiree gun permit requirements.

Campus Response

- a. A written directive has been established and distributed providing in-depth details related to weapons and firearm training.
- b. A formal letter has been developed and will be sent annually to each retiree as a reminder of their qualification requirements. Any retiree who fails to meet the qualification requirement will be notified of the suspension of their qualification to carry a weapon.

Recommendation 10

We recommend that the campus strengthen procedures over the maintenance of evidence records.

Campus Response

Procedures have been updated. A new Records written directive and applicable forms have been developed and are presently in use.

Recommendation 11

We recommend that the campus:

- a. develop and distribute formalized policies and procedures for the award of special assignment stipends; and
- b. strengthen procedures over the distribution and maintenance of the DPS policies and procedures to ensure acknowledgement of receipt for new/updated policies and procedures.

Campus Response

- a. A new procedure has been established covering the award of special assignment stipends.
- b. A new procedural manual was under development during the time of the audit. The procedural manual has been completed. The new procedures for manual distribution include a receipt for a paper or CD copy of the manual.

Recommendation 12

We recommend that the campus update its master key records and strengthen procedures for continuous updating of its master key records.

Campus Response

Procedures have been updated. Written guidelines and forms have been updated in the department's Written Directives. The Key Record database system has been updated and aligned with the key request cards.

ATTACHMENT, 00-41

Recommendation 13

We recommend that the campus strengthen procedures to ensure that the release of information is properly controlled and documented.

Campus Response

Procedures have been updated. A revision of the Written Directive for Records Management is complete and includes Security on Information, Exemptions to the Release of Information, Selective Disclosure Information, Juvenile Records, and Government and Penal Code references.

Recommendation 14

We recommend that the campus establish procedures to comply with the CBA notification requirements.

Campus Response

Procedures have been updated to comply with the CBA notification requirements.

THE CALIFORNIA STATE UNIVERSITY
OFFICE OF THE CHANCELLOR

BAKERSFIELD

CHANNEL ISLANDS

February 23, 2001

CHICO

MEMORANDUM

DOMINGUEZ HILLS

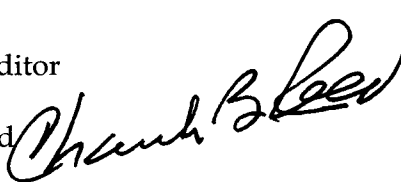
FRESNO

TO: Larry Mandel
University Auditor

FULLERTON

HAYWARD

FROM: Charles B. Reed
Chancellor



HUMBOLDT

SUBJECT: Draft Final Report Number 00-41 on *Public Safety*,
California State University, Los Angeles

LONG BEACH

LOS ANGELES

MARITIME ACADEMY

In response to your memorandum of February 23, 2001, I accept the
response as submitted with the draft final report on Public Safety,
California State University, Los Angeles.

MONTEREY BAY

NORTH RIDGE

POMONA

CBR/nk

SACRAMENTO

Enclosure

SAN BERNARDINO

cc: Dr. James M. Rosser, President

SAN DIEGO

SAN FRANCISCO

SAN JOSE

SAN LUIS OBISPO

SAN MARCOS

SONOMA

STANISLAUS