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Special Audit
Oak Park Police Department
Oak park, Georgia

March 26, 2013

Honorable Mayor and City Council

City of Oak Park

Oak Park, Georgia

Re: Special Audit of the Oak Park Police Department

At the request of the Mayor and City Council we performed agreed upon procedures to test matters in the Oak Park Police Department that were of concern to you. Our procedures were limited in scope and addressed the matters listed below. We can neither confirm nor deny the existence of fraud but we did form certain conclusions based on the results of our tests that the Mayor and City Council may want to consider.

The following are the findings of the Special Audit of the Oak Park Police Department:

Citations

Unaccounted for citations- There were a total of 548 numbered citations that were unaccounted for. Most of the ending numbers that were missing started in June 2012 and December 2012 to February 2013. All Citations should be accounted for whether they were written, voided, or otherwise disposed of. Missing citation numbers represents a high degree of fraud risk.

Accounts Payable

While going through the Oak Park Police Department payables , we found the following:

1.) Police Chief purchased his own equipment and requested reimbursement from the Police Dept. checking account.

2.) On several occasions snacks were purchased with P.D. funds.

3.) On several occasions sales tax was paid; mostly on reimbursements.

A system should be put in place for any purchases or expenditures. Employees should submit a request that should be approved by the Mayor or his designate before the expenditures are committed.

Revenues

Revenues were tested from June 2012 to February 2013.The results of those tests are as follows:

1.) On December 17th there was a deposit of $428.62 with no detail.

2.) A new bank account was opened with a deposit of $1,000.00 from the General Fund in January 2013. The balance in the Police Department account should have been $53,360.93. The amount of $1,000.00 should be returned to the General Fund and $ .04 should be credited to interest.

3.) On December 17, 2012 a deposit was made for $29,076.00 but a report for $30,921.00 was turned into City Hall. The report that was given to us by the Police Department was for a deposit of $29,076.00 from the 17th. After doing a comparative analysis, we found that to

balance to the deposit that was made of $29,076.00 there had to be adjustments made of $4,246.00 positive on one report and $2,401.00 negative on the other, for a net amount of shortage of $1,845 which were undeposited (unaccounted for) funds.

As stated above, missing citations represents a high degree of risk and it is our recommendation that a policy be adopted by the Mayor and Council that would reduce that risk. The Mayor and Council should implement that policy immediately. There should be policies and procedures put into place for approval of all purchases made for the City of Oak Park by the Mayor and Council and that includes the Oak Park Police Department. On the revenue portion of this report, there should be backup and an audit trail for all deposits; # 2) for the new bank account that was opened for the Police department at Spivey State Bank, a clear audit trail should agree to the accounting referred to in # 2. In item # 3 the options available are: 1) Accept the deposit report that balanced with the deposit, and that will be the end of the situation, or 2) Contact the District Attorney or GBI for further investigation.

In essence, the Mayor and City Council has full authority over the Police Department. Pursuant to state guidelines, Police Departments are reported under the General Fund of municipalities. There should only be one system of internal controls and procedures that are formed by policies set forth by the Mayor and City Council. The mandated internal controls and procedures should be followed by all city employees.

Thank you for allowing us to serve the City of Oak Park by providing the Special Audit of the Oak Park Police Department.

Kendall Davis, CPA 3/26/13

Kendall Davis, CPA Date