



MEMORANDUM

TO: OPD Command Staff

FROM: Chief Howard A. Jordan

SUBJECT: Corrective Action Plan
Measure Y-Violence Prevention
Audit Report for FY 2011-12

DATE: April 22, 2013

INFORMATION

Patel & Associates, an independent accounting firm and subcontractor to Macias, Gini & O'Connell, the City's external auditor, performed the Measure Y -Violence Prevention and Public Safety Act of 2004 financial audit for the year ending June 30, 2012. Macias and Gini made two recommendations based on audit findings related to OPD payroll charges, that "OPD should review its procedures for processing and review of payroll and consider improving them to ensure that errors in updating the payroll system manually are minimized." To address the audit finding, this memorandum describes the steps that OPD has already implemented and further corrective action that is effective immediately.

Current Year Audit Finding - During the testing of controls over payroll charged to Measure Y, the auditors recommend that the Oakland Police Department should review its payroll procedures and improve them to ensure that errors in updating the payroll system manually are minimized. They also recommend that an independent review and reconciliation of the payroll is done on a periodic basis to ensure that errors are detected and corrected in a timely manner.

OPD Management Response - OPD management accepts the auditor's recommendations and will continue to review and monitor all payroll charges to Measure Y. Outlined below are steps taken by OPD in previous years as well as new procedures and processes to be put in place, effective immediately.

Corrective Measures OPD has Taken in Previous Years:

- A payroll clerk compares timesheets that are submitted by police officers to the list of officers who are authorized to charge to Measure Y, and resolves any discrepancies noted.
- An accountant is assigned to review Measure Y charges to identify and correct misapplied charges caused by data entry error or glitches in the accounting system.

New Corrective Measures OPD has Implemented - Effective Immediately:

- OPD Payroll staff is providing training to Measure Y Officers to ensure that officers are knowledgeable on timesheet entry and coding to minimize any discrepancies between actual time spent on Measure Y activities.
- Supervisors will review officer time sheets and determine the appropriateness of the coding blocks that are listed on each officer's timesheet in order to ensure that the officer is charging to the correct funding source, including Measure Y.
- OPD payroll has implemented a training program to ensure that officers submit any required payroll adjustments in a timely manner.

Additional Measures to be Implemented:

In the upcoming fiscal year, OPD will be working to implement additional corrective action measures, in collaboration with the City's Treasurer and Controller Offices, to help ensure accuracy of charges to Measure Y:

- Self-service timekeeping - Presently, police officers submit weekly timesheets to payroll. The information from these timesheets is then manually entered into the City's Oracle accounting system. With self-service timekeeping, police officers will enter their time directly into Oracle. This should result in a significant reduction in data entry errors, and improve the accuracy of payroll charges.
- Staffing software - OPD is evaluating several software applications that track the shift officer's work and the account they should charge for that shift. Implementation of such a system should serve as an additional resource to help streamline the payroll process as well as the validation of audit charges to Measure Y.
- The City's Treasurer and/or Controller's Office will provide recurring payroll reports that show detail regarding specific employees charges to Measure Y. OPD will then compare this information to the list of officers who are authorized to charge to Measure Y. This will service as a powerful internal auditing tool to detect any payroll errors that may have otherwise made it into the system.

For questions regarding the contents of this memorandum, please contact Gilbert A. Garcia, Deputy Director, Bureau of Services at (510) 238-6443.

Respectfully submitted,



HOWARD A. JORDAN
Chief of Police

cc: Deanna J. Santana, City Administrator