



**CUYAHOGA COUNTY
DEPARTMENT OF INTERNAL AUDITING**

TO: Cuyahoga County Crime Stoppers Board
FROM: Cory Swaisgood, Director, Department of Internal Auditing
DATE: October 5, 2017
RE: Crime Stoppers Follow-Up Review Report

As required by the International Standards for the Professional Practice of Internal Auditing, the Department of Internal Auditing (DIA) has completed follow-up procedures on reported issues from the Crime Stoppers Audit Report issued on December 11, 2015. The objective of the follow-up report was to determine with reasonable assurance whether management took effective action on the issues that were presented in the audit report.

RESULTS

There were 17 recommendations in the Crime Stoppers Audit Report of December 11, 2015; 100% of the recommendations were fully implemented. Each recommendation is addressed in the Follow-Up Results section on the following page. The below table is a summary of the recommendations.

Fully Implemented	Partially Implemented	Not Implemented	Withdrawn
17	0	0	0

DIA would like to express our appreciation for the cooperation of the Crime Stoppers Coordinator during this follow-up audit.

Respectfully,

A handwritten signature in cursive script that reads "Cory A. Swaisgood".

Cory A. Swaisgood, CPA
Director of Internal Auditing

Cc: Audit Committee
Cuyahoga County Council
Robert J. Triozzi, Law Director

Follow Up Results Crime Stoppers

Corrective Action Taken

- **Fully Implemented (F)** - The audit issue has been adequately addressed by implementing the original or corrective action.
- **Partially Implemented (P)** - The corrective action has been initiated but not completed.
- **Open Issue (O)** - The audit issue has not been addressed but management fully intends to address the issue.
- **Not Implemented (N)** - The audit issue has not been addressed and management has assumed the risk of not taking corrective action.
- **Withdrawn (W)** - The audit issue no longer exists because of changes in the auditee's operations.

NOTE: Agency responses were extracted and unmodified from the Crime Stoppers Audit Report issued on December 11, 2015. References to departments, offices, policies, etc. are not consistent with terminology used throughout the rest of this report. The Crime Stoppers Audit Report can be found on the [Audit Committee's website](#).

Finding (Accounting for Crime Stoppers and REDSS Fees): \$2,200 of Regional Enterprise Data Sharing System (REDSS) fees were incorrectly posted to the Crime Stoppers' account in the Fiscal Office's financial system, FAMIS, in July of 2013. The \$2,200 was erroneously sent to Crime Stoppers, instead of REDSS, by the County Treasurer's Office. DIA noted the money was never removed from the Crime Stoppers' bank account and remitted to REDSS. (Page 8 in 2015 Audit Report)					
Recommendation 1	Agency Response to 2015 Audit Report	F	P	N	W
All receipts from municipal courts and the County's Clerk of Courts should be sent directly to Crime Stoppers for deposit into the Crime Stoppers' account rather than passing through the County's Treasurer's Office.	During the audit, Crime Stoppers contacted the municipal courts on paying fees directly to Crime Stoppers and requested documentation be sent by email. Crime Stoppers has begun receiving direct payments of the fees.	√			
Recommendation 2	Agency Response to 2015 Audit Report	F	P	N	W
Crime Stoppers should develop a procedure manual to address the security and handling of receipts.	We are creating a policy and procedure manual for the handling and security of receipts as referenced in this audit.	√			

Crime Stoppers Follow-Up Review

Finding (Accounting for Crime Stoppers and REDSS Fees): Continued					
Recommendation 3	Agency Response to 2015 Audit Report	F	P	N	W
The \$2,200 identified above should be returned to REDSS from Crime Stoppers.	A meeting will be set up with the internal auditor, county fiscal officer and representatives of Crime Stoppers to review the findings discussed in this section.	√			

Finding (Policy and Procedure Manual): There is not a policy and procedure manual for Crime Stoppers. (Page 9 in 2015 Audit Report)					
Recommendation 4	Agency Response to 2015 Audit Report	F	P	N	W
<p>Crime Stoppers should develop a policy and procedure manual and have it approved by the Crime Stoppers Board. Within the manual the following should be included:</p> <ul style="list-style-type: none"> • Documentary Narratives of daily operations. • Safeguard procedures (cash and physical controls). • Accounting and monitoring bank accounts. 	As of the audit report date, Crime Stoppers is compiling a policy and procedure manual with an anticipated completion date of the end of the 3 rd quarter in 2016.	√			

Crime Stoppers Follow-Up Review

Finding (Staffing Level): There was a lack of segregation of duties within Crime Stoppers’ operations. The Coordinator is the only person with access to all blank checks and all bank accounts. The Coordinator was also the only person making bank deposits and withdrawals. (Page 10 in 2015 Audit Report)

Recommendation 5	Agency Response to 2015 Audit Report	F	P	N	W
The Sheriff’s Office should consider Crime Stoppers as a two-position organization with one full-time coordinator and another full or part-time staff member. This will allow for diversity of functions between the employees and provide more checks and balances in handling financial duties.	As of this audit report, staffing is one full time coordinator and one-part time volunteer staff member. We are aware that a second full time staff member may be warranted.	√			

Finding (Approval of Rewards Paid to Tipsters): DIA noted one cash deposit and withdrawal without Board approval. A \$4,000 donation from Dollar General was received to pay a reward. There was no evidence in the Board’s minutes on acceptance of the donation or approval of the reward payout. It was also not listed on the month financial report provided to the Board as a deposit or withdrawal. (Page 11 in 2015 Audit Report)

Recommendation 6	Agency Response to 2015 Audit Report	F	P	N	W
Board approval should be sought for all rewards paid to tipsters regardless if the reward is a donation. Donations should be accepted by the Board and recorded in the minutes. All bank activity should be detailed in monthly financial reports to the Board at regular meetings.	As of this audit report, rewards are voted on, approved and recorded in the minutes. Beginning immediately, we will ensure that donations are accepted and documented in the minutes.	√			
Recommendation 7	Agency Response to 2015 Audit Report	F	P	N	W
Donations should be accepted by the Board and recorded in the minutes. All bank activity should be detailed in monthly financial reports to the Board at regular meetings.	Beginning immediately, we will ensure that donations are accepted and documented in the minutes.	√			

<p>Finding (Unclaimed Cash): \$2,000 from four cases between December 2012 and December 2014 were secured in a safe at the Coordinator’s residence. Two of the cases were over a year old at the time of the audit, totaling \$1,300. The \$2,000 was deposited into the Crime Stopper’s bank account during the audit. (Page 11 in 2015 Audit Report)</p>					
Recommendation 8	Agency Response to 2015 Audit Report	F	P	N	W
Formal procedures should be developed on holding cash for tipsters.	Formal procedures on handling and securing cash for tipsters will be included in the policy and procedure manual with an anticipated completion date of the end of Q3 in 2016.	√			
Recommendation 9	Agency Response to 2015 Audit Report	F	P	N	W
Cash not collected by tipsters should be redeposited into the reward account after a predetermined amount of time. A record of tipsters not receiving their rewards should be maintained. All redeposits should be noted.	Reward monies are withdrawn from the reward account after appointment made with tipster for payment of rewards. Policy will address re-depositing of unclaimed rewards.	√			
Recommendation 10	Agency Response to 2015 Audit Report	F	P	N	W
No cash should be held outside of the bank accounts or secured in Crime Stoppers office.	The holding of funds at personal residences no longer occurs.	√			

Crime Stoppers Follow-Up Review

Finding (Invoice Maintenance): Support was not maintained for seven disbursements to confirm the correct amount was paid for the service provided. There was one instance in which a check was \$3.02 less than the invoice amount. (Page 12 in 2015 Audit Report)

Recommendation 11	Agency Response to 2015 Audit Report	F	P	N	W
The following procedures should be created and approved through a manual: <ul style="list-style-type: none"> • All invoices should be maintained for disbursements from the administrative account. • The Board should approve invoices prior to payment. • Controls in place to assure the amount paid to vendors agrees to the invoice. 	As of this audit report, all invoices are currently maintained by the coordinator in the manner recommended by the audit team. Invoices will be presented to the Board prior to payment and the voting process will be noted in the Board minutes. Procedures on invoice maintenance will be included in the policy and procedure manual with an anticipated completion date of the end of the 3 rd quarter in 2016.	√			

Finding (Enforcement of ORC 2981.12(F)): Crime Stoppers has not enforced ORC 2981.12(F) nor did they ever attempt to collect proceeds of sold forfeited property from law enforcement agencies. (Page 14 in 2015 Audit Report)

Recommendation 12	Agency Response to 2015 Audit Report	F	P	N	W
Crime Stoppers should enforce 2981.12 (F) by collecting 25% of proceeds from the sale of forfeited property from law enforcement agencies. The organization should send notice, with the approved resolution from 2005, to all law enforcement agencies in the County to enforce ORC 2981.12 (F).	The Board has taken this matter into consideration and will make a decision during fiscal year 2016.	√			

Update: The Board sent a letter to each police chief in the County to observe this ORC section. As of 2016, the Board decided not to collect the funds pursuant to ORC 2981.12(F). The Board will continue to discuss collection of these funds in the future.

Finding (Reward Payout Scale): The current reward payout scale is not strictly followed nor has it been approved by the Board. There were 15 payouts (13%) not in accordance with the reward payout scale. (Page 15 in 2015 Audit Report)

Recommendation 13	Agency Response to 2015 Audit Report	F	P	N	W
The current reward payout scale should be updated and approved by the Board. All rewards should be paid in accordance with the scale. If a deviation from the scale is desired than an explanation should be noted and the Board should be notified.	As of this audit report, the payout scale is under revision and should be completed and approved by the board in the 2nd quarter of 2016.	√			

Finding (Bank-to-Book Reconciliation): Crime Stoppers did not perform any bank-to-book reconciliations during the audit period. The monthly report on bank activity only showed total deposits and cleared checks from the monthly bank statements. Outstanding checks, deposits-in transit, or cash approved and reserved for payouts were not tracked to note cash available at month-end. (Page 16 in 2015 Audit Report)

Recommendation 14	Agency Response to 2015 Audit Report	F	P	N	W
Crime Stoppers should perform a monthly bank-to-book reconciliation. The book could be utilization of a check register to track when checks clear the bank. Deposits can also be listed to reconcile to the bank account.	As of this audit report, formal implementation of this recommendation has begun and will be presented to the Board at the February 2016 meeting.	√			

Crime Stoppers Follow-Up Review

Finding (Treasurer’s Report Approval): Treasurer’s Reports (financial reports) were not always being voted on or formally approved in the meeting minutes. (Page 17 in 2015 Audit Report)					
Recommendation 15	Agency Response to 2015 Audit Report	F	P	N	W
All Treasurer’s Reports presented to the Board be voted on and approved with evidence in the minutes.	The recommendation has been implemented as of this audit report.	√			

Finding (Reward Account Receipts): \$4,285.45 received from local municipalities was note transferred to the Crime Stopper’s reward bank account from the County’. There were also checks missing supporting documentation and six outstanding checks not cashed by the County. (Page 17 in 2015 Audit Report)					
Recommendation 16	Agency Response to 2015 Audit Report	F	P	N	W
Crime Stoppers should request that all Crime Stoppers payments be remitted to their office for deposit. This will eliminate discrepancies between support maintained by Treasurer’s Office and amounts deposited in the bank account.	During the audit, Crime Stoppers contacted the municipal courts on paying fees directly to Crime Stoppers and requested documentation be sent by email. Crime Stoppers has begun receiving direct payments of the fees. We are creating a policy and procedure manual for the handling and security of receipts as referenced in this audit.	√			
Recommendation 17	Agency Response to 2015 Audit Report	F	P	N	W
Finally, the identified fees that were incorrectly posted, never cashed, or unsupported should be researched and remitted to Crime Stoppers as necessary.	A meeting will be set up with the internal auditor, county fiscal officer and representatives of Crime Stoppers to review the findings discussed in this section.	√			