



Office of the City Controller **HOUSTON POLICE DEPARTMENT**

Follow-Up Audit



Chris Brown
City Controller

Report # 2023-05

Courtney Smith
City Auditor



**OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS**

CHRIS B. BROWN

December 19, 2022

The Honorable Sylvester Turner, Mayor

**SUBJECT: REPORT #2023-05
HOUSTON POLICE DEPARTMENT (HPD) – FOLLOW-UP AUDIT PROCESS REPORT**

Mayor Turner:

We have completed follow-up procedures on remediation efforts performed by HPD management as they relate to *Audit Report #2016-03*, titled “*Child Safety Fund Performance Audit*.” As part of providing independent and objective assurance services related to efficient and effective performance, compliance and safeguarding of assets, we also performed follow-up procedures to ensure that corrective actions are taken related to issues reported from previous audits.¹

Our follow-up audit process uses a risk-based approach, which contains two primary components:

- Management Status Updates; and
- Audit Testing/Verification

Based on the procedures performed above, we believe that we have obtained sufficient and appropriate evidence to adequately support the conclusions provided below as required by professional auditing standards.²

A total of three (3) findings were issued under Audit Report 2016-03. One was assessed a “Low” risk rating, and therefore follow-up was not required. The second was remediated, closed in a previous follow-up and reported in Audit Report 2020-07. The third remained open, but has since been remediated and closed based on actions taken by management.

¹ IIA Standard 2500 Implementation Guidance – stresses the importance of having a process that “... *Captures the relevant observations, agreed corrective action and current status.*”

GAGAS 1.21, 6.11, 7.13, 8.30, and 9.08

² See Exhibit 1 for the Detailed Remediation Assessment



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- In reviewing the department's remediation processes associated with the finding, we concluded the overall assessment to be **Adequate**.

We would like to thank the Houston Police Department for their cooperation during the follow-up audit process.

Respectfully submitted,

Chris B. Brown
City Controller

xc: City Council Members

Troy Finner, Chief, Houston Police Department
Matt Slinkard, Executive Chief, Houston Police Department
Rhonda Smith, Deputy Director, Houston Police Department
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Background

We have completed our FY2023 follow-up procedures related to remediation efforts performed by management of the Houston Police Department (HPD), as they relate to Audit Report # 2016-03, titled, “*Child Safety Fund Performance Audit.*” As part of providing independent and objective assurance services related to efficient and effective performance, compliance and safeguarding of assets, we performed follow-up audit procedures to ensure that corrective actions are taken related to issues reported from previous audits.¹

Audit Scope and Objectives

The objectives of our follow-up audit were to determine:

1. The status of each open item; and
2. The adequacy of the department’s remediation process to resolve its universe of open findings.

Procedures Performed

Audit procedures performed to meet the audit objectives and provide a basis for our conclusions were as follows:

- Obtained, reviewed and assessed management’s status updates to open findings;
- Determined the findings for which management’s status updates indicated remediation;
- Determined and requested the documentation necessary to support the findings status reported by management; and
- Reviewed supporting documentation and other evidence provided for sufficiency and appropriateness.

¹ IIA Standard 2500 Implementation Guidance - stresses the importance of having a process that “... captures the relevant observations, agreed corrective action, and current status.”

GAGAS 1.21, 6.11, 7.13, 8.30, and 9.08.

Conclusions

Based on the procedures performed, we believe we have obtained sufficient and appropriate evidence to adequately support the conclusions provided below as required by professional auditing standards:

CONCLUSION 1 - (AUDIT OBJECTIVE 1)

A total of three (3) findings were issued under Audit Report 2016-03. One was assessed a “Low” risk rating, and therefore follow-up was not required. The second was remediated, closed in a previous follow-up and reported in Audit Report 2020-07. The third remained open, but has since been remediated and closed based on actions taken by management. See Exhibit 1 for the Detailed Remediation Assessment.

CONCLUSION 2 - (AUDIT OBJECTIVE 2)

In reviewing the department’s remediation efforts associated with the finding, we concluded the overall assessment to be **Adequate**.

Follow-up Approach

Our Follow-up Audit process utilizes a risk-based approach, which contains two primary components:

- Management Status Updates, and
- Audit Testing/Verification

MANAGEMENT STATUS UPDATES:

Our continuous follow-up audit process includes sending requests for status updates related to management’s progress toward the remediation of open findings. Management provides status updates through an online portal that alerts us when received. This information is then assessed by the follow-up auditor, who considers; (1) responsiveness to the original issue, and (2) remediation of the issue.

FIELDWORK/TESTING VERIFICATION:

A status update which indicates that a finding has been remediated is tested/verified by the follow-up auditor prior to being closed.

The information received through management status updates is used as a basis for follow-up testing. Additional supporting information is gathered by the follow-up auditor, if needed, to provide sufficient and appropriate evidence to achieve our objectives. Once the testing/verification of a department's findings has been completed, the department's remediation process is then assessed (Adequate or Inadequate). A rating of **Adequate** indicates the department has processes in place to sufficiently monitor and address issues identified. The department demonstrates this by having either remediated (if the finding is Closed) or is exhibiting progress in the remediation efforts (if the status is Ongoing). An **Inadequate** rating is assessed when the status of the findings is not as reported by management and/or the issues have not been addressed as stated in a status update.

Audit Standards

We conducted Follow-up Audit procedures in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Government Accountability Office (GAO) and The International Standards for the Professional Practice of Internal Auditing as promulgated by The Institute of Internal Auditors (IIA). Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Acknowledgement

We would like to thank the Houston Police Department for their proactive approach to risk management and cooperation during the follow-up audit process.

City of Houston
Office of the City Controller - Audit Division
Project: FY2023 Follow-Up HPD
Houston Police Department - FY2023 Follow-Up Procedures

Exhibit 1 - Detailed Remediation Assessment, FY2023 Audit Follow-Up Procedures

Audit Report Number	Original Audit Finding Title	Original Audit Finding	Management's Status Update	Conclusion	
				Ongoing/Closed	Remediation Process
2016-03	Information submitted by The ISD/school is not verified.	Historically, ISDs and schools have not been held accountable for the information submitted in the Request and Addendum forms. The information presented in the Request and Addendum forms is not subjected to any verification by HPD, nor does HPD have the resources available to initiate a 100 percent validation process. In addition, information on the Estimate Request in the "Total Crossings in Houston with Paid Guards" column is collected "as-is" and used to allocate Child Safety Fund (CSF) dollars. Data on the Estimate Request form is not compared to the total of the average number of guards reported in the Addendum.	<p>Updated Response: 10/4/2022</p> <p>Currently, HPD acquired the services of Elite Image Tax & Notary Services, LLC. to review and observe the crossing guard programs at the 16 Schools/School Districts participating in the City of Houston – Child Safety School Fund – Crossing Guard Program for the 2020-2021 school year. The review and observations were completed on June 16, 2022. A comprehensive review of operational procedures and observations of school crossings were performed for verification of the reimbursement funding. Out of the 16 schools observed, there were 3 schools (private schools) requiring minor record keeping changes. Letters regarding the recommended changes were sent on September 15, 2022 to Rivers Oaks Baptist School and Amigos Por Vida. The 3rd private school, John Paul II, has notified HPD they will no longer participate in the crossing guard program, effective 2022-2023 school year. Yes HPD has a plan to acquire a vendor to continue the monitoring and observing of the Child Safety Fund crossing guard program. This will be done every other school year. For example, the next review will be in November 2023 for the 2022-2023 school year. (HPD's CSF Observation and Review Plan is attached in the Pentana workpapers).</p>	Closed: This finding was closed by the Audit Division after review of the Elite Image Tax & Notary Services report that was performed externally to access the Child Safety Fund Crossing Guard Program, and after review of the CSF Observation and Review Plan provided by HPD to monitor crossing guard activity going forward. Management remediation procedures were adequate to close this finding.	Adequate

Audit Team

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Audit reports are available at:

<http://www.houstontx.gov/controller/audit/auditreports.html>