

**OFFICE OF THE CITY CONTROLLER**



**POLICE DEPARTMENT  
BUDGET AND FINANCE DIVISION  
FINANCIAL AUDIT**

**Sylvia R. Garcia, City Controller**

**Judy Gray Johnson, Chief Deputy City Controller**

**Steve Schoonover, City Auditor**

**Report No. 02-05**



OFFICE OF THE CITY CONTROLLER  
CITY OF HOUSTON  
TEXAS

SYLVIA R. GARCIA

January 14, 2002

The Honorable Lee P. Brown, Mayor  
City of Houston, Texas

SUBJECT: Police Department  
Follow-Up Review - Police Department Performance Review (Report No. 02-05)

Dear Mayor Brown:

The City Controller's Office Audit Division, working jointly with the Administration, has completed a Follow-Up Review of the Police Department Performance Review Report (report) that was issued in March 1998. The findings and recommendations that were presented in the report that was distributed to the Mayor and City Council Members included fleet management, procurement services, fixed assets, information technology services, and property room management function areas of the department.

Our review was designed to determine the progress the Department has made towards implementation of the recommendations made in the original report. The review consisted primarily of conducting on-site interviews with department personnel and reviewing relevant documentation related to recommendations implemented. The auditors concluded that the Police Department has made progress in the implementation of recommendations identified in the report or implemented alternative procedures in certain instances.

We appreciate the cooperation extended to our auditors by Department personnel during the course of the review.

Respectfully submitted,

  
Sylvia R. Garcia  
City Controller

xc: City Council Members  
Albert Haines, Chief Administrative Officer  
Gerard Tollett, Chief of Staff, Mayor's Office  
C.O. Bradford, Chief, Police Department  
Philip Scheps, Director, Finance and Administration Department

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## SCOPE AND PURPOSE

Working with the Administration, we have completed a follow-up review of the findings and recommendations that were presented in the Houston Police Department Performance Review Report No. 98-25 (report) dated March 30, 1998. Our review was designed to determine the progress the department has made towards implementation of the recommendations made to the department in the original report.

The findings and recommendations that were identified in the report that was distributed to the Mayor and City Council Members included fleet management, procurement services, fixed assets, information technology services, and property room functions of the department.

The review consisted principally of conducting on-site interviews with department personnel; reviewing relevant documentation related to recommendations implemented; and creating a compliance matrix categorizing the status of action taken by management. The scope was limited to the recommendations from the report and the accompanying responses prepared by Police Department management. The review included examining the responses in detail to determine whether management considered the recommendations and strategies for implementation as presented and whether progress was made since issuance of the report.

## CONCLUSION

Based on the results of our review, we conclude the Police Department has made progress in implementation of the recommendations detailed in the report or has implemented alternative procedures in certain instances. Management provided explanations for recommendations not implemented.

  
Linda N. McDonald  
Auditor-in-charge

  
Rudy Garcia  
Audit Manager

  
Steve Schoonover  
City Auditor

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AUDIT DIVISION  
POLICE DEPARTMENT  
PERFORMANCE REVIEW FOLLOW-UP**

AUDIT FINDING	RECOMMENDATION	ACTION STATUS	WORK PERFORMED	MANAGEMENT RESPONSES
<b>FLEET MANAGEMENT</b>				
Based on conversations with fleet personnel, the Automated Fuel Tracking System (AFS), becomes inoperable for extended periods of time (up to one week). When this occurs, 1) the Department loses track of the fuel allocation among specific vehicles and specific divisions; 2) The reporting for total mileage on a vehicle is lost; and 3) Bypassing the AFS increases the risk of theft of fueling cars that are not authorized to use the refueling sites.	Stabilize the automated fuel tracking system and redesign a backup recording system to enhance controls in the event of computer system failure.	<b>Implemented</b>	Interviewed Fleet Maintenance Division Management (Fleet Management) , and reviewed a copy of a Request for Council Action requesting the AFS upgrade.	It has been determined that system upgrades by the City have been installed. Computer down time is greatly reduced. A manual backup system is operable if the main AFS system goes down.
The GEMS 2000 System does not support the generation of reliable data on which to make effective management decisions. 1) The inventory repurchase functions generate incorrect repurchase reports; 2) The system is not interfaced with the City's GFAMS system; and 3) Data in the system has not enabled personnel to effectively execute and monitor the preventative maintenance program or to accurately accumulate maintenance costs over the life of each vehicle.	Identify and correct the processing, training, and interface issues experienced with the GEMS 2000 system. Suggestions made by KPMG: <b>1)</b> A complete list of problems and concerns with the system should be compiled by the Department and other users throughout the City.	<b>Alternative Implemented</b>	Interviewed Fleet management and reviewed the copy of a purchase order hiring the consultant.	The Department has hired a consultant to correct errors in the GEMS 2000 system. The consultant will address issues related to incorrect report data. The GEMS 2000 system doesn't interact with GFAMS however, they can interface via floppy disk, which allows transfer of acquisition data. Fleet will use the consultants report and make adjustments to errors via training and programming.
Same as above	<b>2)</b> Information Services Division (ISD) leadership should meet with the software vendor to communicate the issues. Develop a program for user training to address other issues.	<b>Alternative Implemented</b>	Interviewed Fleet management and reviewed the copy of a purchase order hiring the consultant.	Fleet has hired a consultant to perform an evaluation of their department's usage and undertaking of their department's usage and understanding of the GEMS 2000 system. Fleet will take the consultant's report and teach in-house training. Fleet did not participate in preparing a list of problems and concerns with the system.
Same as above	<b>3)</b> Software vendor should devise a plan to address the needs of the City.	<b>Alternative Implemented</b>	Interviewed Fleet management and reviewed the copy of a purchase order hiring the consultant.	Although a City Wide system, Fleet has hired a consultant to correct errors in the system.
Vehicles that are not uniform to the fleet, often require personnel to purchase parts from a city-approved vendor. This can be a very inefficient and costly practice for these type purchases.	Review current vehicle parts contracts to evaluate if the contracts covering specialty vehicle parts could be consolidated through fewer vendors and/or price list contracts.	<b>Partially Implemented</b>	Bids for nonstandard vehicle parts were taken; however, all bids were rejected. Further, the use of P-Cards has made the purchase of such parts more cost effective.	A "Special Duty" vehicle repair contract for non-standard vehicles has been put in place. The implementation of the P-Card has helped reduce the time it takes to obtain non-standard parts. The City has received bids for a "Turn Key" auto parts contract.

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<b>FLEET MANAGEMENT</b>				
The GEMS 2000 system does not facilitate efficient and effective inventory management. The Fleet Division only turns its inventory approximately 2.3 times a year. Industry statistics indicate that commercial businesses strive to turn its inventory 6 to 8 times a year.	Through more effective inventory management, reduce inventory levels to increase inventory turnover, reducing the potential for shrinkage and inventory warehousing costs. Evaluate the costs/benefits of outsourcing the Department's vehicle maintenance inventory management.	<b>Partially Implemented</b>	Interviewed Fleet management and reviewed a copy of the <i>Storeroom Inventory Values at the time of physical inventories</i> . The cost/benefits of outsourcing the Department's vehicle maintenance inventory management is being analyzed by the City's F&A Department.	A cost/benefit of outsourcing the Department's vehicle maintenance inventory management is being analyzed by F&A through the City's bidding process.
The Department could do a competitive analysis for the outsourcing of repair and maintenance on vehicles other than undercover vehicles.	Complete an analysis for the outsourcing of vehicle repair and maintenance	<b>Implemented</b>	Interviewed Fleet management and reviewed a copy of Fleet's bid submitted to F&A.	The City has taken bids for a pilot program for outsourcing vehicle maintenance.
Part numbers are manually entered into the system which creates a high probability of error. In addition, the GEMS 2000 inventory system has a programming error that cause the parts inventory to be inaccurate, causing inventory counts to be incorrect and can lead to inaccuracies and inefficiencies in parts reordering.	Utilize bar coding technology to enter part numbers into GEMS 2000. KPMG also suggested the inventory programming errors be corrected.	<b>Partially Implemented</b>	According to Fleet management, the Bar Code system is being phased in throughout Fleet. The auditor went to the Westside Command Station to inspect the bar coding system.	A Bar Code System is currently installed and being used/tested at the Westside station. Once the system is working properly it will be installed at the other locations.
A maintenance program does not exist for garage repair equipment.	Establish a contract for repair of garage shop equipment.	<b>Implemented</b>	Interviewed Fleet management and reviewed two contracts regarding garage shop equipment repairs.	A contract for repair of garage shop equipment is in place.
The current fleet maintenance towing and on-road service operations average \$46 per service call.	Analyze opportunity for outsourcing towing service calls.	<b>Implemented</b>	The auditor reviewed an analysis prepared by Fleet comparing the City's internal costs for towing, to the costs for outsourcing City towing.	An analysis was performed on the cost of towing and other operational issues associated with "in house" versus private contractors. This issue involves more than towing, as it also entails flat repair and roadside repairs. The analysis indicates that since the majority of the tows were within a 25 mile radius of 61 Riesner, the cost of these tows/service calls were less expensive when performed on an "in house" basis. Due to operational concerns and the small number of calls outside of the 25 mile radius, the Department decided to retain the towing/road service operations.
Daily vehicle reports, which detail vehicles on the road, vehicles under repair, vehicles out of service and vehicles due for maintenance are manually calculated by each garage and faxed to the Fleet Management Administrator where they are entered into an electronic spreadsheet.	Send daily vehicle reports from garages to the Fleet Management Administrator via electronic mail	<b>Partially Implemented</b>	Fleet management stated that some of the garages do not yet have Email, and therefore could not participate in this recommendation. It is anticipated that when Email is available to all the facilities, this recommendation will be implemented.	The Fleet Manager stated that some of the garages do not have email, and therefore could not participate in this recommendation. They receive the reports via fax, and continue to input the information into an electronic spreadsheet.

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<b>FLEET MANAGEMENT</b>				
The central garage does not record all used parts in the GEMS 2000 system.	Count and track used parts inventory.	<b>Not Implemented</b>	Fleet management stated that the used parts are tracked manually. There is no formal process to enter all the used parts in the GEMS 2000 system. <i>We recommend that the parts be tracked using the GEMS 2000 system.</i>	Manual records are kept on parts that are removed from salvaged vehicles. The record lists which vehicle the part was taken from, type of part, who removed it, and which vehicle it was installed on.
The Fleet Management Parts Inventory Superintendent has limited access to GEMS 2000 and does not have the authorization to print replacement costs of inventory and parts usage reports that are available in GEMS 2000.	Utilize parts activity report in GEMS 2000 to compute reorder quantities. There is an indication that the superintendent has been trained, and is now using the GEMS 2000 system.	<b>Alternative Implemented</b>	Fleet management stated that management now uses the GEMS 2000 reports to use "just in time" ordering of inventory and parts.	Management now uses the GEMS 2000 reports to use "just in time" ordering of inventory and parts, usually using a three month lead timeframe.
The Department sends out all manufacturer warranty work to local dealers for repair.	Hire a warranty administrator to support in-house warranty work and expand the analysis of vehicle repairs and parts usage to identify warranty claims. Additionally, utilize a warranty tracking software module currently available through the GEMS 2000 system for managing warranty information.	<b>Partially Implemented</b>	Fleet attempted to outsource this function but the City's Legal Department rejected the agreement. Fleet hired a warranty administrator, however, he is not performing warranty administration duties. <i>We acknowledge that Fleet has attempted to implement this recommendation. Discussions with Fleet indicate that greater efficiencies and cost savings have been realized in other large cities that have embraced this type of warranty administration. The auditors concur that this recommendation should be pursued, and Fleet Management should consider approaching the Legal Department with this matter again.</i>	Fleet did hire (promoted) a person for the warranty administration. The COH Legal Department nixed the agreement between the vehicle manufacturer and Fleet over language in the manufacturers terms of conditions.

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<b>PROCUREMENT SERVICES</b>				
Each time a user generates a purchase requisition, the purchase requisition goes through the following levels of authorization: 1) User's captain signs the approval; 2) Budget Coordinator at the command level reviews and approves; 3) Asst. Chief reviews and approves; 4) Budget and Purchasing Sub-Supervisor reviews and approves; 5) Budget and Purchasing Supervisor reviews and approves; 6) For items > \$1,000, the Budget and Purchasing Manager approves; 7) For items > \$1,000, the request is sent to Strategic Purchasing for further processing; and 8) An additional review is performed by the Budget and Finance Division's grants section, if applicable.	Streamline the purchase order approval process through redesigning the process. <b>1)</b> Establish \$1,000 threshold for purchases that the Budget Coordinator at the command level should review and approve.	<b>Implemented</b>	Interviewed the HPD Budget and Finance, Purchasing Section Supervisor; and the Division Manager (Purchasing management), and reviewed documentation authorizing the increase in the dollar purchasing limit to \$5,000.	Since the KPMG review was completed, the dollar limits were raised to \$5,000 rather than \$1,000 City-wide. HPD Purchasing routinely expedites divisional purchases within 48 hours. If needed, items are processed sooner. The organizational structure dictates the approvals that are done at the field level. This is at the pure discretion of the chain of command.
Same as above	<b>2)</b> Approval by Assistant Chief does not provide a cost beneficial control and could be eliminated.	<b>Not Implemented</b>	Discussions with Purchasing management revealed that Assistant Chiefs still approve purchase requisitions. <i>We concur with Management's decision.</i>	Due to the City's financial problems the organization decided to retain the extra level of scrutinizing proposed expenditures in order to ensure that all expenditures are justified and provide the best value to City operations.
Same as above	<b>3)</b> Budget and Finance Division's Purchasing Supervisor should not re-review the information previously reviewed by the Sub-Supervisor.	<b>Partially Implemented</b>	The Purchasing Manager (Supervisor) only reviews a purchase request previously reviewed by a sub-supervisor, if it exceeds the new \$5,000 threshold. <i>We concur with Management's decision.</i>	The Purchasing Manager only reviews a purchase request if it exceeds \$5,000.
Same as above	<b>4)</b> Budget and Finance Division Sub-Supervisor should review purchases less than \$1,000. Greater than \$1,000 should be reviewed by the Budget and Finance Division's Purchasing Manager.	<b>Implemented</b>	Interviewed Purchasing management. Sub-supervisors review purchases up to the new \$5,000 threshold.	This recommendation is in place. The Purchasing Manager only reviews a purchase request if it exceeds \$5,000.
Requisitions are entered at the command stations but are printed only in Budget and Finance. Many of the command staff travel to Budget and Finance to physically retrieve the printed requisition before obtaining the necessary authorizations at the command level.	Increase printing capabilities at command locations.	<b>Partially Implemented</b>	Interviewed Purchasing management, and they stated that the Finance and Administration Department (F&A) has provided printing capabilities to some of the HPD divisions. The remaining HPD divisions do not have the printing capabilities addressed in KPMG's recommendation.	Fleet, Computer Services and Property and Supply have been given printing capabilities as suggested. Additionally, all divisions at the 1200 Travis location have been given print capabilities. For divisions without capabilities the cost of buying a printer, associated hardware, and communication lines far out weighs the advantages of having print capabilities for the divisions with such little need for purchasing requisitions.



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<b>PROCUREMENT SERVICES</b>				
Budget and Finance copies bid documents when the Division solicits bids for the purchaser. In addition, purchase orders are copied when they are generated in the Budget and Finance and when they are received from F&A. These copies are then sent to the Budget Coordinator who forwards it to the purchaser.	Discontinue copying and distributing purchase orders to Budget Coordinators. Utilize on-line approval features and electronic mail to send notices of purchase order approvals.	<b>Not Implemented</b>	Interviewed Purchasing management and they stated that <i>The Extended Purchasing System</i> ADVANTAGE software does not provide the feature to electronically mail and send notices to the requestor of purchase order approvals. This was confirmed by the Controller's Office Information System Division. <i>The recommendation is no longer valid.</i>	The automated purchasing software ADPICS is no longer utilized by the City. The Extended Purchasing System ADVANTAGE software does not provide the feature to electronically mail and send notices to the requestor of purchase order approvals. It is necessary to provide an actual copy of purchase order documents to the purchase requestor in the field office for delivery, receiving or notification that a service/maintenance agreement has been approved.
ADPICS processes procurement requests in batches of 10 at a time. The Department does not enter procurement requests consistent with this limitation.	Batch and process procurement requests in groups of ten.	<b>Not Implemented</b>	Interviewed Purchasing management and they stated that the automated purchasing software ADPICS is no longer utilized by the City. Since October 1998 when EDS (Extended Purchasing System) ADVANTAGE came on line, procurement requests are no longer batched and processed in groups of ten. <i>The recommendation is no longer valid.</i>	The automated purchasing software ADPICS is no longer utilized by the City. Since October 1998 when EDS (Extended Purchasing System) ADVANTAGE came on line, procurement requests are no longer batched and processed in groups of ten. Requests are processed immediately when submitted electronically in real time.
Documentation of requisition approval and receipt of goods is not consistent among divisions. Some divisions use a stamp but these stamps are not uniform.	Design and implement a purchase requisition review stamp.	<b>Not Implemented</b>	Purchasing management stated they are able to recognize the Assistant Chiefs' signatures. Using a stamp would not achieve efficiencies in processing purchase orders. <i>We concur with Management's decision.</i>	Due to the limited number of Assistant Chiefs, these approval signatures are readily identifiable. This proposed recommendation of KPMG seems counter to their recommendations proposed in 2-1, 2-2, 2-5, and 2-6.
Implement purchasing card pilot project to improve productivity and reduce the cost of the procurement process.	Implement purchasing card pilot project.	<b>Implemented</b>	Interviewed Purchasing management and reviewed a copy of a previous audit, and have verified that HPD Purchasing is involved in the purchasing card program.	HPD has been involved with the purchasing card pilot program since its inception in 1998.
Open and closed PO packets are filed together in one file cabinet.	File open and closed purchase order packets in separate areas of file cabinet.	<b>Not Implemented</b>	Interviewed Purchasing management, and they stated that maintaining two separate alpha files dependent whether the order is open or closed is not effective, efficient, or practical. <i>We concur with Management's decision.</i>	Maintaining two separate alpha files dependent whether the order is open or closed is not effective, time efficient, or practical. In the normal course of the day it is more time efficient to place all P.O.'s into a single file since the inquiring employee might or might not know (or care) if the P.O. is closed or open. The numerous questions regarding P.O.s are not whether they are closed or not, but usually content questions. The pointed suggestion of separate files assumes that the employees requesting information have all the data necessary.

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<b>FIXED ASSETS</b>				
<p>There are two fixed asset management systems in use by the Department (GFAMS and DFAS). Both systems are responsible for the accounting of essentially the same assets.</p>	<p>Consolidate fixed asset systems and redesign the fixed asset management process.</p>	<p><b>Not Implemented</b></p>	<p>Interviewed Fixed Asset management (FA management) and reviewed a memo issued by the City's Finance and Administration Department (F&amp;A), outlining revisions to be made to the City's Fixed Asset Management Policies and Procedures (Revised Policy), dated August 14, 2001. The Revised Policy requires the departments to maintain another tracking system which will include assets not recorded in GFAMS. The Revised policy is expected to take effect December 31, 2001. <i>We concur with Management's decision.</i></p>	<p>The implementation of this recommendation is still in progress. DFAS was a name that KPMG attached to a program written in DataEase that was used to track some department assets. This system was in place prior to the implementation of the GFAMS program. Therefore, it was tracking items and information in a manner not necessarily compatible with GFAMS. Since the initial recommendation from KPMG, the Department has been engaged in an effort to convert existing software programs to be compatible with Microsoft software. A number of alternatives have been examined, including modifying GFAMS, adopting the Public Works system, creating a new in-house system, or modifying a divisions system currently being developed by one of the department's divisions. In August, 2001, F&amp;A has issued revised guidelines to the City's Fixed Asset Management policies and procedures. The revisions will require the departments to maintain a separate system to track assets not recorded in GFAMS, and it is contrary to this recommendation.</p>
<p>The Department's fixed assets are physically inventoried by two separate groups. During the process idle assets or those considered obsolete by the Department are not identified to facilitate a more timely disposal by the City's Surplus and Salvage Division.</p>	<p>Devise a physical inventory program that utilizes cycle counts over a biennial count period.</p>	<p><b>Implemented</b></p>	<p>Interviewed FA management and they stated that HPD has been doing a biennial inventory count of fixed assets for several years. The Revised Policy now requires a biennial cycle count.</p>	<p>HPD has been doing a biennial inventory count of fixed assets for several years. The Revised Policy will now require a biennial cycle count of all assets in GFAMS and an annual count of assets costing \$5000 and above.</p>
<p style="text-align: center;">Same as above</p>	<p>Revise Department policy concerning dollar thresholds of fixed assets which are monitored, tracked, and counted.</p>	<p><b>Implemented</b></p>	<p>Interviewed FA management and reviewed a copy of a memo issued by F&amp;A outlining revisions to be made to the City's Fixed Asset Management Policies and Procedures, dated August 14, 2001.</p>	<p>HPD has a General Order that requires tracking of items \$50 and above. However, the Revised Policy addresses this issue, and HPD will comply with the new proposed dollar threshold.</p>
<p style="text-align: center;">Same as above</p>	<p>Analyze opportunity to outsource the fixed asset accounting and/or physical inventory count and reconciliation processes.</p>	<p><b>Partially Implemented</b></p>	<p>Interviewed FA Management and they stated they are allowed to hire contract/temporary labor to assist during the inventory.</p>	<p>The FA Manager explained that she is allowed to hire contract/temporary labor to assist her during the inventory. The inventory requires most of the year to accomplish.</p>
<p>The fixed asset group spends a significant amount of time traveling to command locations where new assets are received to apply GFAMS tags. Due to the volume and regularity that certain locations receive new fixed assets, fixed asset personnel make regular visits to these locations to tag all new items.</p>	<p>Authorize fixed asset custodians at the command level to affix fixed asset tags.</p>	<p><b>Partially Implemented</b></p>	<p>Interviewed FA Management and they stated that they provide blocks of tags to the Computer Services Division. Tags were observed on fixed assets items.</p>	<p>The FA Manager explained that her group provides blocks of tags to the Computer Services Division. However, when considering distribution of tags to other HPD divisions, her group determines the custodians who, based on past experience, have diligently performed the task. The proximity of locations, the need to gather additional information about the asset and/or need to view the asset in question dictate the group's decision to affix or send the tag.</p>

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<b>FIXED ASSETS</b>				
Currently, the fixed asset group does not keep a control log of fixed asset inventory tags issued to the technology group.	Maintain a control log of fixed asset tags issued to the technology group and fixed asset custodians and periodically reconcile logs unused tags and asset records.	<b>Implemented</b>	Interviewed FA management and obtained and reviewed the <i>Fixed Asset Tag Log/Reconciliation</i> , dated September 20, 2001.	The FA Manager does keep a log of fixed asset tags issued
The observation count sheets generated from GFAMS do not include the model and make of the asset being counted.	Expand asset observation count sheets to include asset make and model and assessment of potential obsolete items.	<b>Not Implemented</b>	Interviewed FA management and they state that the Finance and Administration Department determines the content of the observation count sheets, not Fixed Assets. <i>We concur with Management's decision.</i>	HPD has requested the modifications from F & A, who is the "owner" of the GFAMS system. F & A has requested these modifications from the third party provider of the GFAMS software. The provider has indicated that no modifications will be made until a new version of the software is released. This new version is currently in the test phase. This is not a recommendation that HPD is able to implement independently.
The fixed asset group Management Analyst reviews 100% of GFAMS entry forms and the related supporting documentation.	Rather than reviewing 100% of GFAMS entry forms, begin reviewing on a sample basis and replacing the manual entry form with on-screen verification.	<b>Implemented</b>	Interviewed FA management and they stated that they now review the entry forms on a sample basis.	HPD is now reviewing the entry forms on a sample basis.
A clerk in the fixed asset group reviews fixed asset purchases and then completes and inputs a Fixed Asset Acquisition form into GFAMS. Since the same person who reviews the form is also inputting the information, the Fixed Asset Acquisition form is not necessary.	Utilize screen prints of data entered into GFAMS rather than manually completing a Fixed Asset Acquisition form.	<b>Implemented</b>	Interviewed FA management and they stated that they now utilize screen prints of the data entered into the GFAMS.	HPD is now utilizing screen prints of the data entered into the GFAMS rather than manually completing a Fixed Asset Acquisition Form.
The Department's Communications Management Division (Communications) maintains a database that tracks assignment of the equipment and its physical existence through usage reports. They are also inventoried in GFAMS, so there is no reason to duplicate each individual asset in both the communications database and the GFAMS system.	Utilize Communication's database as one controllable asset in GFAMS.	<b>Not Implemented</b>	Interviewed FA management and obtained and reviewed a memo issued by the F&A, outlining revisions to be made to the City's Fixed Asset Management Policies and Procedures (Revised Policy), dated August 14, 2001. The Revised Policy is eliminating group (one controllable) assets. The Revised Policy is expected to take effect December 31, 2001. <i>We concur with Management's decision.</i>	The Communications Management's' database cannot be used as one controllable asset for the following reasons: 1) Not all items in the database meet the GFMAS criteria and therefore, not all are recorded in the GFAMS. 2) It is more of a tracking and maintenance system rather than an inventory accounting system. It does not make reference to cost, purchase order number, vendor, funding source or special funding feature (grant, asset forfeiture, etc.). If combined as one controllable asset, the testing of special funded assets from this group will be impossible as they can not be individually identified since they will be mixed with the rest of the equipment as a group asset. Furthermore, current F/A policy now disallows grouping of assets.
The current fixed asset management system does not utilize standard description fields, which results in multiple descriptions being used for similar fixed asset items.	Develop and implement standard description fields within the fixed asset management system.	<b>Not Implemented</b>	Interviewed FA management and they stated that the Finance and Administration Department determines the fields. F&A is responsible for the City's Fixed Asset system. <i>We concur with Management's decision.</i>	The existing descriptions fields in GFAMS were developed by VRM (the contract consultant for inventory). This is not a recommendation that HPD is able to implement. Only F&A may remedy this situation.

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<b>INFORMATION TECHNOLOGY SERVICES</b>				
The five year planning documents appear to be reports which accompanied and explained a budget request for ISD (now referred to as CSD-Computer Services Division). These documents do not clearly outline the entire five year plan. They appear to be "status reports" which detail cost items, rather than discussing the plan in its entirety. The reports clearly outline the technical actions and the organizational (employee) actions, but do not address the processes.	Expand the Department's technology plan regarding the contents of the plan and the process and actions required to complete the plan. Only two years of the five year plan is written.	<b>Implemented</b>	Interviewed the Computer Services Division Police Administrator; and the Computer Services Division Information Resources Manager (CSD management), and reviewed the <i>Unisys Technology Road Map Executive Summary</i> .	The July 1995 Andersen Consulting "Strategic Information Systems Plan" included a detailed 5 year plan for its implementation. The Police Department adopted the Andersen Consulting recommendations and has provided annual budget funding for this 5 year effort. The first budget to support the 5-year plan was approved with the FY97 budget. Through this budget (FY1997) and the following 4 budgets (FY1998, FY1999, FY2000, and FY2001), all equipment and services have been purchased. The completion of the Andersen Strategic Information System Plan (as defined in the original study) will be accomplished in the first quarter of 2002 with the replacement of the 300 remaining Unisys mainframe terminals with microcomputer systems.
The City has adopted Firstcase as its Software Development Life Cycle (SDLC). Since the Department has had little software development recently, ISD has not used the SDLC.	Utilize a software development lifecycle approach. The approach should not be the traditional "waterfall" approach in which each phase is fully completed prior to the next beginning.	<b>Alternative Implemented</b>	Interviewed CSD management and reviewed the <i>Example of a relational data base application program, STAARS documentation</i> .	The software referred to in KPMG's recommendation is a program that gives the programmer the ability to write code more easily. SDLC is one of many programs that performs this function. At this time, Computer Services Division (CSD), is utilizing two other programs other than SDLC. They are using Oracle and SQL 7.
During the review, documentation was not identified that demonstrates the Department's implementation or planned implementation of some of the strategies presented in the Andersen Report. (The Andersen Report was produce by consultants in 1995 to develop a strategic information technology plan to assist the ISD in addressing the specific information technology requirements of the Department.)	Evaluate strategies presented in the Andersen Report that have not been addressed in the Department's Five Year Plan. List contains: <b>1)</b> Definition of functional and technical requirements for all requested applications.	<b>Implemented</b>	Interviewed CSD management and reviewed the <i>Unisys Technology Road Map Executive Summary</i> .	The July 1995 Andersen Consulting "Strategic Information Systems Plan" included a detailed 5 year plan for its implementation. The Police Department adopted the Andersen Consulting recommendations and has provided annual budget funding for this 5 year effort. The first budget to support the 5-year plan was approved with the FY97 budget. Through this budget (FY1997) and the following 4 budgets (FY1998, FY1999, FY2000, and FY2001), all equipment and services have been purchased. The completion of the Andersen Strategic Information System Plan (as defined in the original study) will be accomplished in the first quarter of 2002 with the replacement of the 300 remaining Unisys mainframe terminals with microcomputer systems.
Same as above	<b>2)</b> Development of applications with strong user involvement.	<b>Implemented</b>	Interviewed CSD management and reviewed the <i>Example of a relational data base application program, STAARS documentation</i> .	CSD has begun using what it calls the "Mentor Program" This program has the actual end user(s) of the application to be created, work with CSD to develop and write the program(s). This accomplishes a better end-product. Two examples of CSD working with the end user are given: 1) Racial profiling program and fulfilling the requirements, and 2) allowing officers to have "paperless" tickets.
Same as above	<b>3)</b> Reengineering of business processes prior to development.	<b>Implemented</b>	Interviewed CSD management and reviewed the <i>Example of a relational data base application program, STAARS documentation</i> .	Use of the Mentor Program accomplishes this recommendation by using the end user in the development process.

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Same as above	<b>4)</b> Integration of individual district applications into a single application that meets user requirements.	<b>Implemented</b>	Interviewed CSD management and reviewed the <i>Example of a relational data base application program, STAARS documentation.</i>	CSD has managed to integrate their database so that all the substations have access to the same information data base. The use of Oracle has allowed the users to access information and see the data as it best benefits the user's needs.
Same as above	<b>5)</b> Maximization of application integration to allow for data sharing.	<b>Implemented</b>	Interviewed CSD management and reviewed the <i>Example of a relational data base application program, STAARS documentation.</i>	As above, CSD has managed to integrate their database so that all the substations have access to the same information data base. The use of Oracle has allowed the users to access information and see the data as it best benefits the user's needs.
Same as above	<b>6)</b> Outsourcing of resource-intensive applications where appropriate.	<b>Implemented</b>	Interviewed CSD management and reviewed a detailed study prepared by CSD on the outsourcing of imaging software. Additionally, we reviewed a copy of the purchase order renewing the licensing of the image software.	The CSD has outsourced various resource intensive tasks as a result of the recommendation. One example is in the use of temporary employees used in the installation of computer hardware, communication lines and applications. Another example would be the use of consultants in the Y2K conversion. CSD has outsourced two large projects, the IAD tracking program, and the imaging of Accident reports for clerical use within the department.
Same as above	<b>7)</b> Incorporation of data, technical and applications design criteria into a software selection process.	<b>Implemented</b>	Interviewed CSD management and reviewed a detailed study prepared by CSD on the outsourcing of imaging software. Additionally, we obtained and reviewed a copy of the purchase order renewing the licensing of the image software.	The CSD uses scope of work plans to determine software criteria. Such was the case in the IAD tracking and Accident imaging (above) before actually applying.
Same as above	<b>8)</b> Utilization of subject databases for application data access.	<b>Implemented</b>	Interviewed CSD management and reviewed the <i>Example of a relational data base application program, STAARS documentation.</i>	The software referred to in KPMG's recommendation is a program that gives the programmer the ability to write code more easily. SDLC is one of many programs that performs this function. However, CSD is utilizing two other programs rather than SDLC. They are Oracle and Microsoft SQL 7.
Same as above	<b>9)</b> Development of a process to ensure the role of information services in all application implementation.	<b>Implemented</b>	Interviewed CSD management and reviewed the <i>Example of a relational data base application program, STAARS documentation.</i>	Use of the Mentor Program accomplishes this recommendation by using the end user in the development process, along with CSD to ensure the end user gets the product he can use.
Same as above	<b>10)</b> Development of a process for maximizing the use of successful concepts and application systems from other police departments.	<b>Implemented</b>	Interviewed CSD management and reviewed the <i>Example of research for WEB Based Incident Reporting.</i>	CSD has adopted "best practices" by getting in touch with other law enforcement agencies, in order to gain insights into what they are doing with regards to computer technologies. Additionally, CSD attends an annual meeting with other law enforcement agencies and they discuss many issues facing their agencies, including requirements placed upon them that may require programming to accomplish future needs issues.
Same as above	<b>11)</b> Involvement in joint application development projects with both other city departments and other law enforcement agencies.	<b>Implemented</b>	Interviewed CSD management and reviewed an <i>Interface Control Document for Houston Police Department.</i>	At this time, three of the larger projects being developed are 1) A joint project with Harris County to develop a shared data base for fingerprints and mug shots; 2) Working with Motorola to develop electronic ticketing devices; and 3) Working with Municipal Courts to develop a subpoena tracking system.

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Same as above	12) Contracts for development support with external resources are created with specific deliverables, set timelines, and at a fixed fee.	Implemented	Interviewed CSD management and reviewed a detailed study prepared by CSD on the outsourcing of imaging software. Additionally, we reviewed a copy of the purchase order renewing the licensing of the image software.	Contracts for external resources have used specific deliverables and timelines. Examples include the PRC (Computer Aided Dispatching), IAD tracking and Accident imaging projects. CSD provided the scope of work and the contracts were written to these specifications and timelines.
The technology plan addressed the specific technologies, the technology environment and technology strengths necessary to achieve the Department's Information Technology Strategy. An SQL-compliant Relational Database Management System solution has not been selected as it is expected to be defined during the evaluation of technology and specifications in developing a request for proposal to acquire a core information system.	Reactivate the Department's project to acquire a core information system.	Implemented	Interviewed CSD management and reviewed a <i>Request for Council Action</i> indicating the purchase of the core information system.	In January 2001, a Unisys hybrid core information system was purchased. It allows CSD to utilize the "old" information via the main frame, and begin to record the new transactions using the client/server technology simultaneously. The main frame data is expected to be entered into the client/server system over the course of time.
Same as above	Select and implement a Computer Aided System Engineering Tool.	Implemented	Interviewed CSD management and reviewed the <i>Example of a relational data base application program, STAARS documentation.</i>	CSD is utilizing two Computer Aided System Engineering Tool programs, Oracle and Microsoft SQL 7.
Same as above	Develop a strategy for the development and implementation of technology Best Practices.	Implemented	Interviewed CSD management and reviewed the <i>Unisys Technology Road Map Executive Summary.</i>	An Executive Summary has been prepared outlining the benefits and advantages of purchasing the Unisys multi-processing computer system.
Same as above	Establish a core technology group to handle research and development and implementation of new technologies.	Implemented	Interviewed CSD management and reviewed the Organizational Chart.	Three positions were implemented and are reflected on the organizational chart in the section titled System Integration Support.
Same as above	Develop a disaster recovery plan.	Alternative Implemented	Interviewed CSD management and were told there is no formal disaster recovery plan in place. Backup tapes are stored in an offsite storage location.	There is no formal disaster recovery plan in place. Backup tapes are stored in an offsite storage location. The City does not have the funding needed to support double hardware systems. The City has instead, a hardware system that is termed "redundant and resilient".
The Department installs and maintains all personnel computer equipment with internal staff	Establish vendor contracts and additional extended warranties to cover some of the installation and maintenance currently performed by internal staff.	Implemented	Interviewed CSD management and reviewed a purchase order indicating extended warranties on laptops.	CSD has in place contracts and additional extended warranties on its laptops.
Skill set inventories not conducted on a regular basis.	In order to ensure ISD has the proper mix of training and experience, develop a program to review skill set inventories within ISD staff.	Implemented	Interviewed CSD management and reviewed a copy of the training plan.	An assessment of the levels of computer skills for employees was established by various management personnel. From that assessment, a training plan was put together by three managers.
Inconsistent technology approval.	Require ISD and Communication Division review all projects and grants involving computer technology.	Not implemented	Interviewed CSD management and they stated that the CSD and the Communication Division are separate and distinct divisions. Unless there is a specific joint project occurring, their duties generally do not overlap. <i>We concur with management's decision.</i>	CSD is responsible for overseeing desktop and business applications. Communications is responsible for overseeing PCs in the police cars and two way radios. Unless there is a specific joint project occurring, their duties generally do not overlap.

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Divisions within the Department have employees take on the role of a resident computer specialist that may answer questions of the Division's leadership and assist with managing local area networks.	Require employees functioning as computer network specialists within divisions to attend preliminary computer classes.	<b>Alternative Implemented</b>	CSD management stated that technology training classes are provided by the Police Academy.	The Police Academy is responsible for technology training classes. The Police Academy has trained or offered to train every divisional network specialist. Offered in the training were multiple day classes involving Novell Systems. In the training was system administration, configuring and equipment use. The classes are offered as trained employees transfer or attrit.
The FCC instituted changes that affect public safety radio communication through rechannelization.	Develop a formal written communication plan which details the types of infrastructure and considers future developments.	<b>Partially Implemented</b>	Interviewed CSD management. The Communication Division is responsible for communications plans.	Communication plans are the responsibility of the Communications Management Division: written plans for future infrastructure developments will be based solely on the new FCC regulations regarding public safety communications. The FCC technical specifications are not yet completed. Once spectrum availability is defined, the City of Houston has contingency plans to integrate Police, Fire, and Public Works. In essence, a written plan is in place, however it is contingent upon future FCC decisions.
Currently, the Department has historical data backed-up off-site on reel and cartridge media.	Convert electronic data storage to disk.	<b>Partially Implemented</b>	Interviewed CSD management and they stated that the conversion of the data is ongoing and will take time to complete.	The new Unisys system purchased in January 2001 is capable of converting electronic data to disk, the old system was not. The work continues on implementing this recommendation.
The Department's Records Division maintains physical accident records and provides copies of accident reports to the general public upon request for a \$4 fee.	Evaluate the cost/benefit of utilizing electronic imaging technology in the Department's Records Division.	<b>Implemented</b>	Interviewed CSD management and reviewed the <i>Example of a Specifications Document for an Imaging Application</i> .	The accident records are now imaged.
The Department does not maintain inventory records of "cannibalized" computer parts.	Establish used parts inventory records and evaluate inventory levels for optimal quantities.	<b>Not implemented</b>	Since the KPMG report was issued, CSD no longer keeps "cannibalized" computer parts. <i>We concur with management's decision.</i>	Since the KPMG report was issued, CSD no longer keeps "cannibalized" computer parts. Due to the receipt of a Federal Block Grant, the department no longer has the need to maintain old computer parts.
ISD does not have a formal methodology for accessing the types and quality of service provided to its customers.	Develop and distribute user surveys covering the help desk services as well as other information technology services.	<b>Partially Implemented</b>	Obtained and reviewed the <i>Eight Point Plan for the Modernization of the Help Desk</i> , and had discussions with the Help Desk Management.	The computer help desk has plans to implement a questionnaire.
The ability to disseminate information and suggestions to solve chronic problems and address issues noted by the help desk is limited and is primarily handled as people call the help desk.	Utilize electronic mail to disseminate information between the help desk and technology users.	<b>Implemented</b>	Reviewed the <i>Heat Project Status and Summary</i> , and had discussions with the Help Desk Management.	Electronic mail is used to disseminate information to users. It provides a quick, reliable format to make information available on broad or specific subjects. Examples include: 1) Virus alerts, 2) Availability of Resources (systems shutting down for maintenance) and 3) Training information. The HEAT system, purchased to audit and track repairs, will allow web based users to query it regarding specific applications. It will also have a frequently asked questions section.
The Department does not have a mechanism in place for tracking operational or performance information related to the help desk.	Investigate the feasibility of implementing a call tracking system at the help desk.	<b>Implemented</b>	Reviewed the <i>Heat Project Status and Summary</i> , and had discussions with the Help Desk management.	In July 1998, a software program called HEAT was purchased. HEAT is a help desk software product that tracks the help desk functions and duties.

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The help desk is responsible for making program updates in mainframe tables (security tables)	Develop update software for making changes to mainframe tables.	<b>Implemented</b>	CSD explains the updating processes in <i>User Support procedures for Novell Security updates</i> . The help desk follows these instructions. We reviewed a copy of these procedures.	CSD's help desk has written instructions on making program updates in mainframe tables.
Due to limited personnel resources, the individual responsible for ISD purchasing also has responsibilities associated with computer inventory and repair process.	Segregate purchasing functions from inventory, computer repair, and receiving responsibilities.	<b>Implemented</b>	Interviewed CSD management and reviewed the Organizational Chart.	The positions have been segregated as seen on the organizational chart.
The Information Services Director position is currently vacant	Evaluate candidates for the Information Services Director position.	<b>Implemented</b>	Based on interviews and a review of the CSD Organizational Chart, the position has been filled.	The position has been filled.



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The Property Room is forced to maintain large inventories of items that are ready for transfer to the Finance and Administration Department's Surplus and Salvage Division.	Maximize salvage revenues and available storage space by developing a more frequent auction schedule which considers the effects of current legislative changes.	<b>Not implemented</b>	Interviewed Property Room management and they stated that the Finance and Administration Department (F&A) is responsible for scheduling auctions for the City. F&A stated that they could not add any additional auctions to the schedule. <i>We concur with Management's decision.</i>	Finance and Administration (F&A) is responsible for scheduling auctions for the city. The Division Manager discussed the possibility of more frequent auctions with F&A. F&A stated that they could not add any additional auctions to the schedule.
Currently, patrol officers or investigators deliver all evidence items to the Property Room which is located downtown. The average time an officer is away from the patrol area has increased in recent years due to the Department's service area growing from Clear Lake to Kingwood.	Establish satellite drop-off areas at stations around the city for evidentiary items.	<b>Partially implemented</b>	Based on discussions with Property Room management, satellite drop off areas have been created for narcotic types of evidence, however, the general philosophy of HPD and evidence handling is they want a facility that is central and open 24 hours a day, seven days a week for all other types of evidence. The satellite proposal by KPMG is not practical for anything other than narcotics. <i>We concur with Management's decision.</i>	Satellite drop off areas have been created for narcotic types of evidence. These drop off areas help address the issue of officers remaining on the street for longer periods of time. Lock boxes with drum type access are available to officers at the Travis, Central, North, Southeast and Westside locations. The "chain of evidence" rules are not violated through these procedures.
Current City Ordinance requires the Department to maintain evidence for 90 days after a case is closed or adjudicated by the courts. Once the case is closed and the Investigation Division contacts the courts to update the case status, then it is transferred to the Property Room where they send an evidence release request authorizing the disposal 90 days after it is tagged. If the officer determines the evidence should not be released, the Property Room waits one year before submitting the request to the officer.	Develop a policy whereby release of evidence requests are submitted every 6 months after the initial request is returned for continual hold.	<b>Not implemented</b>	Based on discussions with HPD Management, according to General Order 700-01, August 8, 2000, all division managers are responsible for the timely disposal of property for which their division has an authorized hold. Additionally, Property Room Management stated that a new state law, coined the "DNA" law, will most likely require a much longer retention period than before. The Harris County DA is in the process of interpreting the law as it will apply to HPD property room retention. <i>We concur with Management's decision.</i>	According to General Order 700-01, August 8, 2000, all division managers are responsible for the timely disposal of property for which their division has an authorized hold. In the event the property was moved to an offsite storage facility, the storage facility will within 90 calendar days, notify the division commander, requesting disposition. The division commander has 20 days to respond to the request.
Currently, what property and the quantity of property which is entered into evidence is subject to the officer's discretion. As a result, the type and quantity of items taken from crime scenes will vary by officer.	Include Property Room supervisors in development and presentation of courses related to evidence at the academy.	<b>Not implemented</b>	Interviewed Property Room management and they stated that the Police Academy dictates training of the Police Officers, not the Property Room Supervisors. <i>We concur with Management's decision.</i>	The Property Room is the "keeper" of evidence, not the educator of what evidence is to be secured from a scene. The Academy has classes taught by the DA's office that instruct the employees on rules of evidence. Other classes taught by the DA's include section 18 of the Code of Criminal Procedure: Disposition of Stolen Property. The Field Training manual, which every probationary must read and pass, includes generic information on the determination of missing evidence and proper tagging procedures. Additionally, Homicide can also hold classes on evidentiary procedures.
Periodically property room supervisors review clerks work to determine whether or not their performance is appropriate and within Department procedures and guidelines.	Institute professional development meetings for all Property Room personnel.	<b>Implemented</b>	Interviewed Property Room management and reviewed minutes recorded from monthly meetings held with the Supervisors and their subordinates.	There are now monthly meetings held with the Supervisors and their subordinates, as well as monthly meetings with the Management and Supervisors.

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Evidence receipts are given to officers as property is received at the Property Room. Depending on the incident type, the evidence receipts may be maintained by the officer or provided to the Investigative Division for inclusion in the investigative case file. These receipts may be lost or misplaced before they are filed into the investigative case file.	Develop procedures to transfer evidence receipts from the Property Room directly to the Investigative Division.	<b>Partially implemented</b>	Based in interviews conducted with Property Room management they stated that the Property Room conducted a survey of the various divisions involved in arrests. Only two divisions wanted to receive evidence receipts, Homicide and Juvenile Sex Crimes. No other divisions wanted the receipts. As a result, those two divisions now receive the receipts.	The Property Room conducted a survey of the various divisions involved in arrests. Only two divisions wanted to receive evidence receipts, Homicide and Juvenile Sex Crimes. No other divisions wanted the receipts.
The Property Room maintains evidence records going back approximately 20 years and electronic copies of records since December 1991. However, there are no guidelines for when records related to close cases should be destroyed or in what format they should be maintained.	Review record retention requirements on closed cases and develop a policy for appropriate disposal of records.	<b>Not implemented</b>	The Property Room Division Manager has stated that he will write a divisional policy regarding the issue of record retention.	The Division Manager has stated that he will write a divisional policy regarding the issue of record retention. The new "DNA" law could impact their divisional record retention procedures, and as a result, he must await the assessment and impact of the law.
Same as above	Utilize off-site data storage for back-up data files from the evidence system.	<b>Implemented</b>	Interviewed Property Room management and they stated that the data is stored off-site at the Computer Services Division located at 311 Artesia.	The data is stored off-site at the Computer Services Division located at 311 Artesian.