



**Port of Seattle**

***Internal Audit Report***

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**Police Department Audit**

**Audit Period January 1, 2007 through December 31, 2008**

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### **Internal Auditor's Report**

We have completed an audit of the Police Department. The audit objective was to determine whether the department has established and maintained effective controls to reasonably ensure that:

- Department goals and objectives are met
- Resources including assets are utilized as intended while being adequately safeguarded
- Department operations are in compliance with applicable rules and regulations

Management has the primary responsibility to establish and implement effective controls. Our audit objective was to assess and test those controls in order to establish whether the controls were adequate and operating effectively.

We conducted the audit using due professional care. We planned and performed the audit to obtain reasonable assurance that department controls that relate to resources, operation, and compliance are adequate and operating as intended.

The Port of Seattle Police Department (POSPD) controls are adequate to ensure compliance with Port policies and procedure, and the department utilizes resources as intended while adequately safeguarding assets. We, however, identified opportunities to strengthen existing controls, which have been communicated to management in a separate letter.

We extend our appreciation to the Police management and staff for their assistance and cooperation during the audit.



Joyce Kirangi, CPA  
Director, Internal Audits

## Executive Summary

**Audit Scope and Objective** Our audit objective was to determine whether the Police Department management has established and maintained effective internal controls to reasonably ensure that:

- Department goals and objectives are met
- Resources including assets are utilized as intended and adequately safeguarded
- Department operations are in compliance with applicable rules and regulations

The scope of our audit covered the period from January 1, 2007 through December 31, 2008.

**Background** The Police Department is responsible for law enforcement and protection of Port facilities. The Police Department was established in 1972 and since has grown to a department of 123 FTEs including 100 sworn officers. The department operates on an annual expense budget of approximately \$18 million and has revenues of approximately \$2 million comprising of mostly grants.

**Audit Result Summary** The Port of Seattle Police Department's (POSPD) has adequate and effective controls to allow it to meet its goals and objectives and to ensure compliance with applicable policies and procedure. The Department utilizes resources as intended and adequately safeguards its assets. There were no findings during the current audit; however, we identified opportunities to strengthen existing controls, and that information was communicated to management in a separate letter.

**Internal Audit Report  
Police Department (Org. No. 4300)  
Audit Period January 1, 2007 – December 31, 2008**

**Background**

The Police Department was established in 1972 as a 27-person department and known as the Airport Security Police Force. The department has since grown to a department of 123 FTEs including 100 sworn officers and includes specially trained officers in bomb disposal and explosive detection K-9s, as well as a special response team and crisis negotiators.

The Police Department’s mission is to provide professional law enforcement services, protect the rights of individuals, prevent crime, and build community partnerships.

Below are financial highlights for a 4-year period ending in 2008:

Revenues

Description	2005	2006	2007	2008
Contract Revenue	\$1,292,854	\$1,187,856	\$0	\$185,615
Misc Fed Operating Grant Revenue		2,766		
Misc Fed Grant Revenue	240,500	333,139	1,724,021	1,511,634
Misc Revenue – Exempt	10,786	6,586	4,496	663
Miscellaneous Revenue (a)	55,562	1,334	304,808	668
ODP Operating Grant Revenue		82,350	915	
Sale Of Scrap	1,192			
<b>Grand Total</b>	<b>\$1,600,893</b>	<b>\$1,614,031</b>	<b>\$2,034,240</b>	<b>\$1,698,580</b>

Source: PeopleSoft

**Note:** (a) Included Forfeitures Revenue.

Expenses

Description	2005	2006	2007	2008
Salaries/Wages & Benefits	\$15,182,459	\$15,100,096	\$15,619,013	\$16,510,972
Outside Services	953,062	805,754	1,287,954	1,024,539
Equipment Expense	310,047	446,439	670,786	693,183
Supplies/Stock	292,797	315,314	309,491	503,530
Travel & Other Employee Expenses	146,569	123,070	172,693	155,089
Workers Compensation	298,710	87,764	116,176	232,364
Others	210,206	169,721	297,433	308,335
<b>Grand Total</b>	<b>\$17,393,849</b>	<b>\$17,048,158</b>	<b>\$18,473,547</b>	<b>\$19,428,012</b>

Source: PeopleSoft (depreciation excluded)

**Audit Objective**

Our audit objective was to determine whether the department has established and maintained effective controls to reasonably ensure that:

- Department goals and objectives are met
- Resources are utilized as intended and assets are adequately safeguarded
- Department operations are in compliance with applicable rules and regulations

### **Scope of the Audit**

The scope of this audit covered the period January 1, 2007 through December 31, 2008.

### **Audit Approach**

We performed the following audit procedures:

- We obtained an understanding of the Department operations and its environment.
- We reviewed applicable state and local laws, and regulations, as well as Port policies, procedures, and guidelines.
- We obtained and analyzed financial data and other relevant information and assessed risks within the department.
- We tested data and supporting documentation to determine completeness and accountability including compliance.
- Other detailed testing included payroll, contract and personal services, equipment expenses and accountability, supplies and stock, travel, and Evidence Room etc.

### **Conclusion**

The Port of Seattle Police Department's (POSPD) has adequate and effective controls to allow it to meet its goals and objectives and to ensure compliance with applicable policies and procedure. The Department utilizes resources as intended and adequately safeguards its assets. There were no findings during the current audit; however, we identified opportunities to strengthen existing controls, and that information was communicated to management in a separate letter.