



INTERNAL AUDIT REPORT

COMPREHENSIVE OPERATIONAL AUDIT

POLICE DEPARTMENT

JANUARY 1, 2014 – JULY 31, 2016

ISSUE DATE: MARCH 24, 2017

REPORT NO. 2017-02

EXECUTIVE SUMMARY

AUDIT OBJECTIVES AND SCOPE

The audit objective was to determine whether management controls were effective in order to achieve the Police Department goals and objectives and to comply with the appropriate laws and regulations, including:

1. Payroll is calculated and properly processed.
2. Training requirements are adhered to and in compliance with policy.
3. Property held in evidence room is accounted for properly.
4. Department equipment is accounted and properly safeguarded.
5. Seized property and forfeitures are accounted and processed in accordance with federal, state, and local laws.

We reviewed information for the period January 1, 2014 through July 31, 2016.

Details of our audit scope and methodology are on page four.

BACKGROUND

The Port of Seattle Police Department (POSPD) provides the primary law enforcement service to Seattle-Tacoma International Airport and the Port of Seattle seaport properties. The Department was created in 1972, and as of August 15, 2016, had 132 employees. These employees include 96 commissioned officers and 36 non-commissioned personnel.

Commissioned officers provide professional law enforcement services, by protecting the rights of individuals, preventing crime, and building community partnerships. These commissioned officers are the primary first responders for all reported crimes and incidents within its jurisdiction.

Non-commissioned personnel include 9-1-1 communications specialists receive and coordinate all calls for service for both the fire and police departments. Non-commissioned personnel also includes traffic support specialists who are part time civilian staff, and assist commissioned officers and ground transportation controllers with safety and traffic flow on the upper and lower drives at Sea-Tac.

Leadership, integrity, and accountability are listed as the guiding principles of the department.

AUDIT RESULT

Based on the testing performed, management controls were effective and the department complied with significant laws and regulations tested.

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TRANSMITTAL LETTER

Audit Committee
 Port of Seattle
 Seattle, Washington

We have completed a comprehensive operational audit of the Police Department.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards and the International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis of 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.

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



Joyce Kirangi, CPA, CGMA
 Director, Internal Audit

AUDIT TEAM

Dan Chase, CPA
 Internal Audit Manager, Acting

RESPONSIBLE MANAGEMENT TEAM

Rodney Covey, Interim Chief of Police

BACKGROUND

The Port of Seattle Police Department (POSPD) provides the primary law enforcement service to Seattle-Tacoma International Airport (Sea-Tac) and the Port of Seattle properties. The Department was created in 1972 and serves both Sea-Tac and more than 30 miles of waterfront property, piers, marinas and cargo, and cruise ship terminals.

Commissioned officers are required to successfully complete training so that officers are provided with knowledge and skills to effectively perform their job and/or specialized function. The department's specialized teams include a bike unit, K-9 team, bomb disposal unit, dive team, honor guard, crisis communication unit, and Valley SWAT unit.

As of August 15, 2016, the department had 132 employees. These employees include 96 commissioned officers and 36 non-commissioned personnel. Commissioned officers provide professional law enforcement services, by protecting the rights of individuals, preventing crime, and building community partnerships. These commissioned officers are the primary first responders for all reported crimes and incidents within its jurisdiction.

Non-commissioned personnel include 9-1-1 communication specialists who receive and coordinate all calls for service for both the fire and police departments. Non-commissioned personnel also includes traffic control specialists who are part time civilian staff, and assist commissioned officers and ground transportation controllers with safety and traffic flow on the upper and lower drives at Sea-Tac.

The POSPD has three guiding principles that are the foundation to the successful operation of the organization. The guiding principles are leadership, integrity, and accountability. The ability of each member's commitment to principles contributes to the overall success of the organization and aligns with the department vision of "the nation's finest port police".

FINANCIAL HIGHLIGHTS

PORT OF SEATTLE POLICE DEPARTMENT REVENUE AND EXPENSES		
YEAR ENDED	REVENUES	EXPENSES
2013	\$329,908	\$19,698,648
2014	203,106	19,367,278
2015	160,856	19,645,388
2016*	154,075	10,205,823

Data Source: PeopleSoft Financials

* As of July 22, 2017

Included in revenue are federal, state, and local forfeiture revenues as reflected in table 1 below:

TABLE 1

PORT OF SEATTLE POLICE DEPARTMENT FORFEITURE REVENUES BY YEAR				
SOURCE OF FORFEITURE REVENUES	2014	2015	2016	TOTAL
Federal - U.S. Treasury / U.S. Department of Justice	\$ 22,591	\$ 43,296	\$ 17,965	\$ 83,852
Valley Narcotics Enforcement Team	-	-	40,000	40,000
State	46,957	116,820	67,750	231,527
TOTAL	\$ 69,548	\$ 160,116	\$ 125,715	\$ 355,379

Data Source: PeopleSoft Financials

HIGHLIGHTS AND ACCOMPLISHMENTS

- On November 14, 2014, the Port of Seattle Police Department was awarded re-accreditation for the Commission on Accreditation for Law Enforcement Agencies (CALEA). CALEA is a United States credentialing authority whose primary mission is to accredit public safety agencies.
- The Port of Seattle Police Department received a Customer Survey rating of 88% or higher in 2016.

AUDIT SCOPE AND METHODOLOGY

We reviewed information for the period January 1, 2014 - July 31, 2016. We utilized a risk-based audit approach from planning through testing. To obtain a complete understanding of the Department operations, we gathered information through document reviews, including policies, management and staff interviews, observations, and data analyses. We assessed significant risks and identified controls to mitigate those risks. We evaluated whether those controls were operating effectively as intended.

We applied additional audit procedures to areas with the highest likelihood of significant negative impact as follows:

1. To determine that payroll was calculated and processed properly.
 - Tested 10 employees to ensure that scheduled hours agreed to hours paid.
2. To determine that training requirements were adhered to and complied with policy.
 - Judgmentally selected 19 of 96 or 20% of commissioned officer and verified annual, biennial, and triennial training was completed for the years ended 2014, 2015, and 2016. Note: RCW 43.101.095 requires 24 hours of in-service training annually. The POSPD Policy Manual requires 40 hours.
3. To determine that property held in evidence room was accounted for properly.
 - Tested evidence room contents including guns, lost and found (watches and rings), drugs, and items held for safekeeping.
 - Traced 20 items from the book of record to the evidence room to verify existence.
 - Traced 20 items from the evidence room to the book of record for accountability.
4. To determine that department equipment was accounted and properly safeguarded.
 - Tested accountability of 20 small equipment/items

5. To determine whether seized property and forfeitures were accounted and processed in compliance with federal, state, and local laws.
- Tested 25 vendor payments using monies from state forfeitures and verified that the payment was authorized, agreed to supporting documentation, and was used "...exclusively for the expansion and improvement of controlled substances related law enforcement activity."
 - Tested 100% of vendor payments using monies from federal forfeitures and verified that the payment was authorized, agreed to supporting documentation, and was expended on a permissible use under the U.S. Department of Justice - Guide to Equitable Sharing for State and Local Law Enforcement.
 - Verified the accuracy of net proceed calculations and confirmed that 10% of property forfeited during the year was remitted to the state treasure by January 31 for the years ending 2014, 2015, and 2016.
 - Confirmed that the State Treasure was provided with a quarterly reports reflecting forfeited property.

CONCLUSION

Based on the testing performed, management controls were effective and the department complied with significant laws and regulations tested.