



UCSB Audit and Advisory Services

Internal Audit Report

**UC Santa Barbara Police Department**

October 24, 2017

**Performed by:**

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**Approved by:**

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Report No. 08-18-0004

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AUDIT AND ADVISORY SERVICES  
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October 24, 2017

To: Chief of Police Dustin Olson

Re: **UC Santa Barbara Police Department  
Audit Report No. 08-18-0004**

As part of the 2017-18 annual audit services plan, Audit and Advisory Services has completed an audit of the UC Santa Barbara Police Department (Police Department). Enclosed is the report detailing the results of our work.

The primary purpose of this review was to assess Police Department's internal controls and business practices to ensure sound business practices are in place to support operational effectiveness and efficiency, including compliance with University policies and federal and state regulations. The scope of our audit focused on budget management, travel regulations, training requirements, and payroll approval practices during fiscal year 2016-17.

Our work identified opportunities to improve financial and business processes in areas such as managing budget deficits, updating income recharge packages, classification of expenses, and reporting period of travel expense claims.

Detailed observations and management corrective actions are included in the following sections of the report. The management corrective actions provided indicate that each audit observation was given thoughtful consideration, and positive measures have been taken or planned in order to implement the management corrective actions.

We greatly appreciate the assistance on this project provided by Police Department personnel. If you have any questions, please contact me.

Respectfully submitted,

A handwritten signature in blue ink that reads "Jessie Masek".

Jessie Masek  
Acting Director  
Audit and Advisory Services

Enclosure

Chief of Police Dustin Olson

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cc: Chancellor Henry Yang

Interim Vice Chancellor Administrative Services Joel Michaelson

UCSB Audit Committee

Jim Corkill, Controller and Director, Business and Financial Services

Senior Vice President and Chief Compliance and Audit Officer Alexander Bustamante

## PURPOSE

The primary purpose of this review was to assess the UC Santa Barbara Police Department (Police Department) internal controls and business practices to ensure sound business practices are in place to support operational effectiveness and efficiency including compliance with University policies and federal and state regulations.

## SCOPE, OBJECTIVES AND METHODOLOGY

The scope of our audit focused on budget management, travel regulations, training requirements, and payroll approval practices during fiscal year 2016-17.

The objective of our review was to determine whether there is sufficient compliance with campus and systemwide policies in finance and business processes including: budget management, payroll approval practices (overtime), income and recharge packages, travel expenses, and training requirements.

To accomplish our objectives, we:

- Researched and reviewed relevant University of California (UC) and University of California Santa Barbara (UCSB) audits and advisory work related to the Police Department. Table 3 lists relevant audits.
- Researched and reviewed UC and UCSB policies, best practices, and other guidance relevant to the scope of the audit. Table 2 provides a summary of relevant UC and UCSB policies.
  - University of California, *Universitywide Police Policies and Administrative Procedures*, effective date 2011.
  - University of California Business and Finance Bulletin G-28, *Travel Regulations*. (UC Policy G-28)
  - University of California Business and Finance Bulletin BUS-29, *Management and Control of University Equipment*. (UC Policy BUS-29)
  - University of California Santa Barbara, *Income and Recharge Guidelines*.
  - University of California Santa Barbara, Accounting Policy 5140, *Approval and Payment of Overtime*. (UCSB Accounting Policy 5140)
  - UC Santa Barbara Police Department, *UC Santa Barbara PD Policy Manual*.
- Gained an understanding of Police Department operations through interviews with key personnel and review of the department's business and financial processes.
- Performed a risk analysis that considered financial and business processes including budget management, travel regulations, training requirements, and overtime approval.
- Tested a sample of transactions to determine whether travel reimbursement practices and processes complied with UC Policy G-28 and *UC Santa Barbara PD Policy Manual* (Policy 1046) travel regulations.
- Reviewed payroll approval process for overtime and authorization procedures to ensure compliance with UCSB Accounting Policies.

UCSB Audit and Advisory Services  
UC Santa Barbara Police Department

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- On a sample basis, tested for training requirements by the Commission on Peace Officer Standards and Training (POST) and UCSB.
- Reviewed the Police Department’s budget management processes and plan to address their overdraft.

This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

**BACKGROUND<sup>1</sup>**

UC Santa Barbara Police Officers have statewide jurisdiction; are duly sworn under section 830.2 of the California Penal Code, and are trained under state guidelines and mandates. The UC Santa Barbara Police Department is a full service police organization that is open 24-hours a day, 7 days a week, 365 days a year. Officers receive the same training as municipal and county peace officers as well as additional training to meet the unique needs of the university campus community. They enforce applicable local, state, and federal laws and provide a full range of police-related services, including immediate response to criminal, fire, and medical emergencies. Table 1 outlines the Police Department’s budget for fiscal year 2016-17.

<b>Table 1</b>		<b>FY 2016-17 Police Department Budget</b>		
	<b>State Fund Accounts</b>	<b>Non- State Fund Accounts</b>	<b>Total</b>	
<b>Funds</b>				
<b>Permanent Funds</b>	\$4,527,393	\$56,035	\$4,583,428	
Other Funding	2,566,694	311,244	2,877,938	
Central Funding	1,133,076	0	1,133,076	
FY 15/16 Carryforward	(1,292,359)	288,638	(1,003,721)	
<b>Total Funds</b>	<b>\$6,934,804</b>	<b>\$655,917</b>	<b>\$7,590,721</b>	
<b>Expenses</b>				
Payroll Expense	\$6,125,518	0	\$6,125,518	
Other Expense	1,208,645	413,112	1,621,757	
<b>Total Expenses</b>	<b>\$7,334,163</b>	<b>\$413,112</b>	<b>\$7,747,275</b>	
<b>Balance</b>				
<b>2016/17 FY Balance</b>	<b>(\$399,359)</b>	<b>\$242,805</b>	<b>(\$156,554)</b>	

Source: The Police Department.

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<sup>1</sup> Source: UC Santa Barbara Police Department website.

*Patrol Division*

University of California Police Officers generally provide for the peace, safety, and security of persons and facilities on the University campus, properties owned, controlled, or occupied by the University of California. It is the function of the patrol unit to provide 24-hour uniformed patrol coverage and police response to all areas of the University. Officers provide preventative patrols on foot, bicycle, all-terrain vehicles, and motor-vehicles; receive, process and investigate complaints by members of the community; respond to emergencies and crimes, accidents and injuries, illness and natural disaster; protect persons and property through crime prevention; arrest offenders; appear and testify in court; and provide traffic control and enforcement.

<b>Table 2</b>		<b>Relevant UC and UCSB Policies</b>
<b>Policy</b>	<b>Summary</b>	
University of California, <i>Universitywide Police Policies and Administrative Procedures</i>	These policies and procedures constituted a directive for members of the University of California Police Department. They provide guidance to the members of the UC Police Departments and provide the framework of coordination for the protection of the population and resources of the University of California.	
University of California Business and Finance Bulletin G-28, <i>Travel Regulations</i> (UC Policy G-28)	Provides guidance on travel reimbursement and includes special policy and regulations to comply with IRS regulations regarding the provision and reimbursement of business-related travel.	
University of California Business and Finance Bulletin BUS-29, <i>Management and Control of University Equipment</i> (UC Policy BUS-29)	Provides guidance on policies and procedures for the management and control of property defined as inventorial equipment that is owned by or in the custody of The Regents of the University of California. These policies satisfy the requirements of the federal government with respect to control over government property for which The Regents are responsible and accountable.	
University of California Santa Barbara, <i>Income and Recharge Guidelines</i> , July 2013	These guidelines are based on UC and campus policy along with federal and state requirements. All campus units/departments charging a fee for services must submit an annual rate proposal for review by the Income and Recharge Committee. The guidelines further state that the Income and Recharge Committee is responsible for reviewing rates on an annual basis for all campus units whether or not changes or revisions are proposed.	
University of California Santa Barbara, Accounting Policy 5140, <i>Approval and Payment of Overtime</i>	Provides guidelines for approval and payment of overtime for University employees.	
University of California Santa Barbara, Police Department Policy Manual	This manual serves as a guideline for the operations of the Police Department. The manual includes police department policies and procedures, best practices, core business process descriptions, methods, and standards.	

Source: Auditor analysis.

### *Problem-Solving Unit*

The Problem-Solving unit fulfills the community's need for advanced resources in criminal investigations, criminal intelligence, threat management, crime prevention, dignitary protection, and liaison to external agencies. This investigative unit actively participates in the Santa Barbara Regional Narcotics Enforcement Task Force (SBRNET), Santa Barbara County Arson Task Force, Joint Terrorism Task Force (JTTF), and works closely with the Joint Regional Information Center (JRIC). In addition, the Problem-Solving Unit investigates all major felonies, crimes against persons, property crimes, general crimes, and actively supports the campus threat management process.

### *Community Service Organization (CSO)*

The Community Service Organization (CSO) is comprised of UCSB students who work closely and collaboratively with the Police Department in serving the campus community. The CSO program began in 1972 as a communication link between police and students. Since this time, the CSO program has expanded to meet the community's needs and currently fulfills a myriad of safety and security needs.

Community Service Officers provide public assistance and personal safety escorts, complete security checks, detect safety hazards, and routinely enhance safety and security for both campus residence halls and various special event venues. Community Service Officers provide support and services to bicyclists that use the campus each day through bicycle registration, storage, and bicycle parking enforcement. The CSO unit is a vital partner in the safe operation of campus operations.

### *Isla Vista Foot Patrol*

The Isla Vista Foot Patrol (IVFP) was initiated in 1970 in the interest of developing "community based policing" for the community of Isla Vista. The Police Department works with the Santa Barbara County Sheriff's Department (SBSO) and the California Highway Patrol (CHP) to staff the IVFP. While the SBSO maintains primary jurisdiction and responsibility for Isla Vista, the Police Department and CHP provide a supportive role in serving the special needs of a highly diverse community. The Police Department also serves an important role in advocating and representing the University's interests in matters related to law enforcement, safety, and security.

### *Communications Unit*

The Communications unit provides radio and telephone support services to department personnel and the public. Services include: dispatching police and CSO personnel to all calls for emergency and routine services; requesting additional law enforcement, fire, and emergency medical services resources if needed from allied agencies; providing information and assistance to the public; monitoring alarm systems for fire, hazard, security, and intrusion; monitoring closed-circuit television systems; issuing emergency and timely warning notices to the campus community; after hours notification to campus and housing maintenance personnel for urgent maintenance needs; and maintaining crime and traffic record data systems.



**SUMMARY OPINION**

Our work identified opportunities to improve financial and business processes in areas such as managing budget deficits, updating income recharge packages, classification of expenses, and reporting period of travel expense claims.

Audit observations and management corrective actions are detailed in the remainder of the audit report.

<b>Table 3    Relevant UC Audit and Advisory Reports</b>		
<b>Report Name</b>	<b>Year</b>	<b>Campus</b>
Police Department-Equipment Inventory and Evidence Management	2016	UC Los Angeles
Police Department-Records Management	2015	UC Los Angeles
Police Department-Travel and Accounts Payable	2015	UC Los Angeles
Police Department	2015	UC Davis
Police Department	2015	UC Irvine
Police Department-Cash Management	2014	UC Los Angeles
Police Department-Recharges and Revenue Reconciliation	2014	UC Los Angeles
Campus Police Department	2014	UC Berkley
University Inventories Phase 1 Interim Report	2014	UC Santa Barbara
Police Department-Internal Control Review	2003	UC Santa Barbara

Source: Auditor analysis.

## DETAILED OBSERVATIONS AND MANAGEMENT CORRECTIVE ACTIONS

### A. Financial and Business Processes

Our work identified opportunities to improve the following financial and business processes for the Police Department:

#### 1. Budget Management

We found the Police Department had carryforwards of \$156,554 from fiscal year 2016-17, as a result of providing additional security support to the campus as directed by the Chancellor. We determined a significant part of the department's deficit is attributed to providing additional support to the campus for unplanned events. Administrative Services is working with the Police Department to address this overdraft in fiscal year 2017-18.

#### 2. Income and Recharge

The Police Department has not updated income and recharge package proposals for public safety services for at least ten years. UCSB's *Income and Recharge Guidelines* require that all campus units/departments charging a fee for services submit an annual rate proposal for review by the Income and Recharge Committee.

#### 3. Classification of Expenses

We found some expenses related to training, telecommunications, and infrastructure costs were misclassified as miscellaneous. Business and Financial Services informed us that they are currently working with the campus to provide better guidance regarding classification of expenses.

#### 4. Personnel and Payroll Practices

We found that planned mutual aid or campus events overall have proper prior sign up and approvals. However, we also found that the Police Department's overtime approval process is predicated on short notice due to emergencies. Overtime for unplanned events are verbally approved by a supervisor and documented in the campus timekeeping system (Kronos). Police officers document overtime in Kronos after the event which is approved by the supervisor.

#### 5. Travel Expenses

Our review of travel reimbursements found that expenses overall comply with UC Policy G-28. Travel expenses had properly documented business purposes and reasonable charges for transportation, meals, and lodging. However, we found that none of the travel expenses in our sample were submitted within five days of return from travel, as required by the Police Department Travel Policy.

To improve financial and business practices for full compliance with University policies, procedures, and best practices, the Police Department should:

- Proceed with planned actions to reduce identified overdrafts within the department.
- Work with Business and Financial Services to get better guidance to identify and classify expenses by object code.
- Update income and recharge packages for all services provided by the Police Department.
- Evaluate the Police Department's Travel Policy requiring travel expense vouchers to be submitted within 5 days of the traveler's return.

### Management Corrective Actions

Police Department agrees to improve financial and business practices for full compliance with University policies, procedures, and best practices. The Police Department will:

- Proceed with planned actions to reduce identified overdrafts within the department.
- Work with Business and Financial Services to get better guidance to identify and classify expenses by object code.
- Update income and recharge packages for all services provided by the Police Department.
- Evaluate the Police Department's Travel Policy requiring travel expense vouchers to be submitted within 5 days of the traveler's return.

*Audit and Advisory Services will follow up on the status of this management action plan by January 31, 2018.*

### **B. Training**

During our audit period, our review validated the Police Department's completion of California State Commission on Peace Officer Standards and Training (POST) and UCSB training. We included in our review quarterly department range training, UCSB mandatory training requirements, and POST compliance standards. We found all training requirements were satisfied.