

**ROCHESTER POLICE DEPARTMENT
REVIEW OF AUTO POUND OPERATIONS**

**Office of Public Integrity
Date: March 24, 2017**

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I. EXECUTIVE SUMMARY

The Office of Public Integrity (OPI) examined the adequacy and effectiveness of the Rochester Police Department (RPD) Auto Pound internal control procedures and compliance with approved policies and practices. We noted continued improvements from prior reviews of the Auto Pound including improved inventory control and improved controls over payments to tow contractors. We did not note any material or significant findings during this review.

II. BACKGROUND, OBJECTIVES AND SCOPE

A. Assignment

The Office of Public Integrity routinely reviews operations of the Rochester Police Department Auto Pound. We performed this review because the City's Risk Assessment Model identified the Auto Pound as a potential high-risk area. We performed the last review of the Auto Pound in October 2012.

B. Background

The RPD Technical Services Section operates the Auto Pound with responsibilities that include receipt, inventory maintenance, and disposition of all impounded vehicles. In the fiscal year ended June 30, 2016, tow truck operators towed 3,968 vehicles to the Auto Pound.

Vehicle owners may redeem their vehicles by paying the appropriate towing, storage, record research, and notification fees. If owners do not redeem their vehicles within 10 days following proper notification, current regulations permit the City to auction the vehicles or sell them as salvage to a state-licensed vehicle dismantler. For the period July 1, 2015 through June 30, 2016, Auto Pound personnel deposited the following revenue:

Rochester Police Department
Auto Pound Revenue
July 1, 2015 through June 30, 2016

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|--------------------|------------------|
| Redeemed vehicles | \$612,851 |
| Auctioned vehicles | <u>299,257</u> |
| Total | <u>\$912,108</u> |

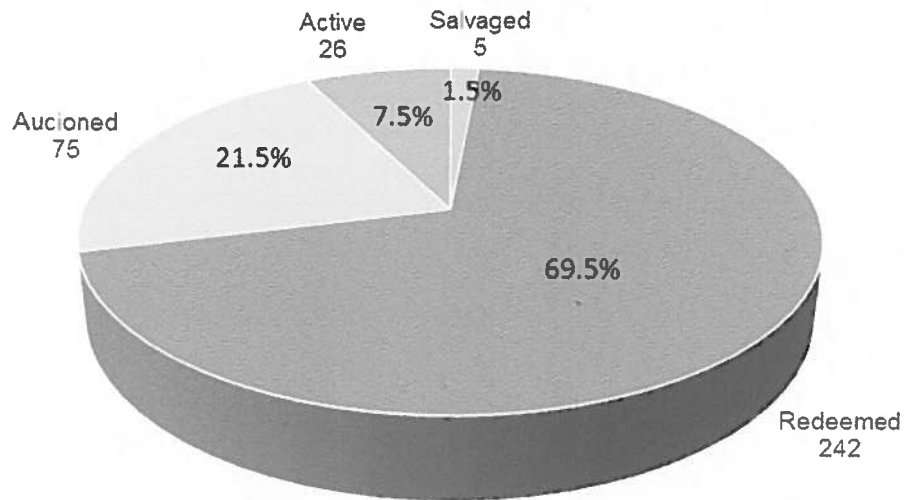
During this period of examination, the Police Department managed the Bar-coded Evidence Analysis Statistics and Tracking (BEAST) system.

The BEAST system functions as an inventory database for all vehicles secured in the Auto Pound by providing immediate, on-screen details of vehicle information including lot number, location, tow information and vehicle status and by printing bar coded labels that attach to those vehicles and identify critical information about them.

C. Objective and Scope

The objectives of the review are to assess the adequacy and effectiveness of internal control procedures and compliance with approved policies and practices. The review included all vehicles towed to the Auto Pound during October 2016 and a 100% inventory of the vehicles on the lot on September 28, 2016. During October 2016, the Auto Pound received 348 impounded vehicles. The following chart summarizes the dispositions of these vehicles.

**Rochester Police Department Auto Pound
Vehicles Impounded in October 2016
Disposition as of November 11, 2016**



Management is responsible for establishing and maintaining a system of internal accounting and administrative control. Fulfilling this responsibility requires estimates and judgments by management to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute,

assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of accurate, informative reports that are fairly stated.

Because of inherent limitations in any system of internal accounting and administrative control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any system evaluation to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with procedures may deteriorate.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

III. RESULTS OF REVIEW

The results of this review indicate that, in general, internal controls are adequate, and Auto Pound personnel adequately report revenue. We noted significant improvements from our prior review of the Auto Pound. We did not note any material or significant findings during this review. Based on the results of this review, OPI does not anticipate any additional audit procedures.

V. DEPARTMENTAL RESPONSE

The Rochester Police Department reviewed an earlier version of this report and is in agreement with it. Because there were no material or significant findings, RPD did not issue a response to this report.