

Memorandum

City of Arts & Innovation

TO: TOM BOYD, Public Works Director

DATE: April 23, 2015

FROM: CHERYL JOHANNES, Internal Audit Manager

**CC: LEE McDOUGAL, Interim City Manager
AL ZELINSKA, Assistant City Manager
DEANNA LORSON, Assistant City Manager
TINA ENGLISH, Public Works Deputy Director**

SUBJECT: Assessment of Graffiti Reward Program Internal Controls

At the request of the Public Works Director, we have completed a review of the City's Graffiti Rewards program which is managed by Public Works staff. The objective of the review was to assess the adequacy of internal controls. It is important to note that the review was not intended to evaluate the complete Graffiti Program.

We relied upon the following in planning and executing our review:

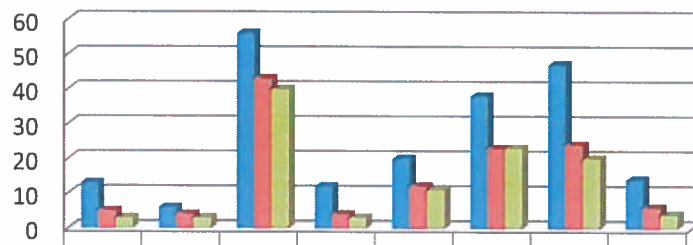
- Riverside Municipal Code – Chapter 9.18;
- Public Works Graffiti Rewards policy and procedures;
- Various City Council agendas and minutes applicable to the audit topic;
- Program documents from the City Attorney's Office and the Police Department;
- Data from the City's financial system, IFAS; and
- Interviews with program staff in Public Works and the Police Department.

BACKGROUND

Graffiti reward programs are intended to incentivize reporting of graffiti vandals, which the Department of Justice (DOJ) says increases the likelihood such vandals perceive that they will be apprehended, thereby deterring them from committing acts of graffiti. In August 2007, the City Council approved the implementation of a Graffiti Reward Program (MC Section 9.18.110)¹ as a proactive means of preventing graffiti, often by catching offenders in the act. The City's graffiti reward was set at \$500 and included specific guidelines. In March 2010, the City Council approved increasing the reward amount from \$500 to \$1,000. Funding for the program is from taxpayers (General Fund).

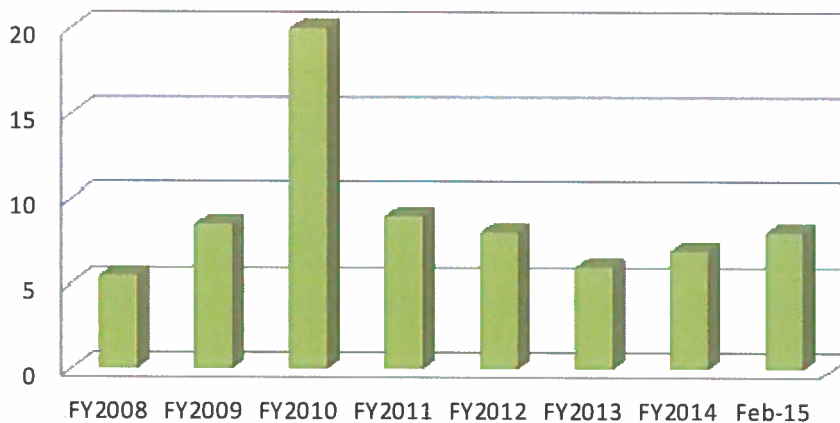
The charts below show the number of graffiti calls, calls eligible for a reward, number of rewards paid out and dollar value since the start of the reward program in August 2007 through February 2015. A total of \$72K has been awarded since the beginning of the program. The Public Works Department absorbs the cost of the rewards.

Graffiti Program Calls & Rewards



| | Ward 1 | Ward 2 | Ward 3 | Ward 4 | Ward 5 | Ward 6 | Ward 7 | Unkn |
|----------------|--------|--------|--------|--------|--------|--------|--------|------|
| Total Calls | 13 | 6 | 56 | 12 | 20 | 38 | 47 | 14 |
| Eligible Calls | 5 | 4 | 43 | 4 | 12 | 23 | 24 | 6 |
| Rewards | 3 | 3 | 40 | 3 | 11 | 23 | 20 | 4 |

Graffiti Reward \$Ks by Fiscal Year



The Riverside Police Department (RPD), the City Attorney's Office (CAO), and the Riverside County District Attorney (DA) play primary roles in graffiti law enforcement. RPD investigates graffiti cases, arrests suspects, and compiles case information for prosecutors. The CAO works with the DA's office to prosecute graffiti offenses, depending on the specific charges. The Public Works Department oversees the administrative aspect of the Graffiti Rewards Program in collaboration with the City's 3-1-1 Call Center and RPD.

ASSESSMENT of INTERNAL CONTROLS

During our review we found no evidence of fraud. In reviewing the overall Graffiti Reward process flow between RPD, the Call Center and Public Works staff, we found internal controls were adequate, with appropriate monitoring and separation of duties/responsibilities.

We offer the following recommendations to improve the efficiency and effectiveness of the Graffiti Reward Program:

Reward Program Policy and Procedures - Documented and up-to-date policies and procedures help to create an internal control framework. It is this internal control framework that management will rely upon and that will ensure objectives are being met. Program policies and procedures have been modified over the years; however, documentation has not been updated. The Public Works Department should update desk procedures to ensure consistency between policy/procedures and practice.

Document Management – A program analyst in Public Works is responsible for manually maintaining a *Graffiti Reward Program Case Log* in an Excel worksheet. Information to populate the case log comes from various sources: the 3-1-1 Call Center, Graffiti Detectives, Public Works management, etc. Emails and phone calls back and forth provide information; the only person with access to the *Case Log* is the program analyst.

To improve efficiencies and streamline the workflow between departments, we recommend replacing the Excel worksheet *Case Log* with an internal (intranet) SharePoint site. SharePoint is a web application/platform developed by Microsoft and supported by the City's IT Department. A SharePoint intranet portal is a way to centralize access to information on the City's network. As a tool for the Rewards Program, it would help to manage information across various departments/divisions and provide timely process management with task notification, etc., eliminating emails and phone calls.

We thank the RPD Graffiti Detective, the CAO and the Public Works analyst for their time and assistance during our review. Should you have any questions, please do not hesitate in contacting me directly.

-Cheryl Johannes, Internal Audit Manager

