



Office of the City Auditor
Performance Audit
September 2023

FY 2023 Fourth Quarter: Police Spending from the Community Policing and Prevention Fund



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September 21, 2023

Honorable Mayor and Members of the City Council:

The City Council directed the City Auditor to conduct quarterly audits of the Board of Police Commissioners’ efforts to meet the city’s expectations for the use of the Community Policing and Prevention Fund (CPPF) and report to the Council as soon as practical after the end of each fiscal quarter. We issued our [first quarter audit](#) in October 2022, our [second quarter audit](#) in February 2023, and our [third quarter audit](#) in April 2023. We received the fourth quarter expenses report from the Police Department on May 19, 2023.

We reviewed expenses the department allocated to the CPPF in the fourth quarter of fiscal year 2023 to determine whether they are consistent with the expected categories and appropriations outlined by the City Council in [Ordinance 220216](#).

The Police Department reported spending the final \$9.6 million in the CPPF during the fourth quarter and allocated expenditures to eligible spending categories. For the fourth quarter, we verified whether officers or staff were correctly reported for the number of new officers, Crisis Intervention Team, and publicly available data reporting enhancements.



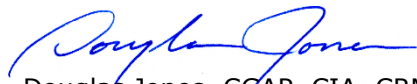
During fiscal year 2023, the department spent all \$33.36 million appropriated to the CPPF and allocated the expenditures to eligible spending categories throughout the fiscal year. However, a little more than \$5 million not spent in seven CPPF categories was transferred to cover expenditures greater than originally appropriated in four other CPPF categories.

In Fiscal Years 2023 and 2024, the city increased appropriations year-to-year, but the appropriated amounts were less than requested by the Police Department. The department budgets adopted by the Police Board did not plan for these lower than requested appropriations and included placeholders for the known revenue shortfalls. The Police Department currently addresses these known shortfalls through budget transfers. For example, on the same day Police Board adopted the fiscal year 2023 budget, the department requested about \$17.4 million in transfers. Although transfers are done publicly and with Police Board approval, this method of addressing known shortfalls can create some confusion and may not be clear or transparent to decision makers, the City Council, and the public.

Recommended practices from the Government Finance Officers Association (GFOA) notes local government entities should evaluate revenue and expenditure options together prior to making specific budgetary decisions. GFOA also notes agencies should present to the governing body a comprehensive budget for the board's consideration, including any known revenue shortfalls that will impact planned expenditures. Between the release of the submitted budget in mid-February and the Police Board's adoption of the budget on May 1st, the department has time to consider revenue and expenditure options and make adjustments to the budget before it is presented to the board.

To improve the Police Department's budgeting process and increase transparency, we recommended that after the City Council approves the amount appropriated to the Police Department for a fiscal year, the Chief of Police submit an amended budget to the Board of Police Commissioners that identifies planned line item spending based on the funds appropriated.

The draft report was sent to the Chief of Police on August 29, 2023, for review and comment. Her response is appended. We would like to thank the Police Department for their assistance and cooperation during this audit. The audit team for this project was Jonathan Lecuyer and Clint Pullam.



Douglas Jones, CGAP, CIA, CRMA
City Auditor

FY 2023 Fourth Quarter: Police Spending from the Community Policing and Prevention Fund

Table of Contents

Introduction	1
Audit Objective	1
Background	1
Community Policing and Prevention Fund	1
Police Department Governance Defined in State Statute	2
Findings and Recommendations	3
Police Allocated Expenditures to Eligible Community Policing and Prevention Fund Spending Categories, but Not Always as Originally Designated	3
Police Department Expended Nearly all CPPF, Some Amounts in Categories Not as Expected by City Council	3
Costs Appropriately Assigned to New Hires, Crisis Intervention Team, and Publicly Available Data Reporting Enhancements	5
Breakdown of Police Department Reported Spending within Categories as Outlined in the Ordinance	7
Changes in Police Budgeting Can Improve Resource Management and Increase Transparency	12
Police Board Approved Budgets Not Adjusted for Actual City Appropriations	12
Board of Police Commissioners Is Responsible for Budgeting Use of Funds Appropriated by the City	12
Department Budgeting Practice Causes Confusion, Reduces Transparency	14
Recommendation	15
Appendix A: Objective, Scope and Methodology, and Compliance Statement	16
Why We Did This Audit	16
Audit Objective	16
Scope and Methodology	16
Statement of Compliance with Government Auditing Standards	17
Scope of Work on Internal Controls	17
Appendix B: Police Chief's Response	18

List of Exhibits

Exhibit 1. Police Department Spending within the CPPF Differing from Council Ordinance	3
Exhibit 2. CPPF FY 2022-23 Expenditures Compared to Appropriation, by Category	4
Exhibit 3. KCPD Personnel Allocated to Category (a) by Entrant Officer Classes and Laterals Charged to CPPF for Fiscal Year 2023	6
Exhibit 4. KCPD Diversity Recruitment Demographics	6
Exhibit 5. KCPD Personnel Allocated to CPPF Category (e) in 4th Quarter	7
Exhibit 6. KCPD Personnel Allocated to CPPF Category (c) in 4th Quarter	8
Exhibit 7. KCPD Personnel Allocated to CPPF Category (d) in 4th Quarter	8
Exhibit 8. KCPD Personnel Allocated to CPPF Category (f) in 4th Quarter	9
Exhibit 9. KCPD Personnel Allocated to CPPF Category (g) in 4th Quarter	10
Exhibit 10. KCPD Personnel Allocated to CPPF Category (j) in 4th Quarter	11
Exhibit 11. Fiscal Year 2023 Police Department Budget Adjustment	12
Exhibit 12. Fiscal Year 2024 Police Department Budget Adjustment	12
Exhibit 13. Police Budgeting Requirements and Opportunities	13

Introduction

Audit Objective

Did the Police Department spend the Community Policing and Prevention Fund as expected by the City Council during the 4th quarter?

To answer our objective, we:

- assessed reported allocation to confirm reporting method for Community Policing and Prevention Fund (CPPF) spending followed the previously stated process,
- summarized all reporting categories, and
- evaluated the accuracy and eligibility of spending for the Crisis Intervention Team and Enhanced Data Reporting as indicated by the expenditures charged to these CPPF categories.

The City Council directed the City Auditor to conduct quarterly audits of the Board of Police Commissioners' efforts to meet the city's expectations for the use of the CPPF and report to the Council as soon as practical after the end of each fiscal quarter.

We conducted this audit in accordance with Government Auditing Standards.

See Appendix A for more information about the audit objective, scope, methodology, and compliance with standards.

Background

Community Policing and Prevention Fund

The City Council created the Community Policing and Prevention Fund (CPPF) to make additional funds, beyond that required by state law, available to the Board of Police Commissioners to address community and policing priorities of the city.¹ Ordinance 220216 outlines the city's expectation for the expenditure of \$33.36 million within 12 categories such as new officer hiring, 911 operations, crime lab, and salary increases. See Exhibit 2 on page 4 for the complete list.

¹ Ordinance 220216, March 24, 2022.

At the direction of City Council, our office conducted quarterly audits of the Police Department's use of these funds. In our [first quarter audit](#), we verified that the department assigned officers to Community Action Network centers and as School Resource Officers as reported by the department. In our [second quarter audit](#), we verified that the department allocated funds to officers assigned as new recruits, police crime lab staff, and dedicated community patrol and community outreach. In our [third quarter audit](#), we verified that the department reported officers and staff correctly in the 911 Call Takers and Communications Unit and Violent Crimes Division.

Police Department Governance Defined in State Statute

Missouri state statute provides the Board of Police Commissioners exclusive authority to manage and control the police department.² The Board of Police Commissioners is required to prepare and certify a budget to the city for the operation of the Police Department.³ State statute then requires the City Council to appropriate a certain percentage⁴ of the city's general revenues to fund the department.³ Out of the appropriated monies, the Board is required to adopt a budget that itemizes the anticipated expenses by department unit into four categories:

- Personal Services
- Contractual Services
- Commodities
- Capital Outlays

The Police Board must approve any transfer of budgeted funds between these categories once the budget has been adopted and certified by the Board.⁵

² [RSMo §84.460](#)

³ [RSMo §84.730](#)

⁴ Prior to August 28, 2022, and at the time the CPPF was created, statute said the city would not be required to provide more than [20% of the city's general fund](#). However, on August 28, 2022, the Missouri Legislature revised Section 84.730 RSM so the City would not be required to provide more than the 25% of the City's general fund.

⁵ [RSMo §84.740](#)

Findings and Recommendations

Police Allocated Expenditures to Eligible Community Policing and Prevention Fund Spending Categories, but Not Always as Originally Designated

We reviewed the fiscal year 2023, fourth quarter, allocation of expenses to the Community Policing and Prevention Fund (CPPF) the Police Department reported. The review was to determine whether the department is consistent with the expected categories outlined by the City Council. During the fourth quarter, we verified whether officers and staff were correctly reported for:

- Number of new officers
- Crisis Intervention Team
- Publicly available data reporting enhancements

Police Department Expended Nearly all CPPF, Some Amounts in Categories Not as Expected by City Council

While the Police Department spent all Community Policing and Prevention Funds within the categories approved by City Council, they did not expend all categories in amounts originally approved by City Council. The department expended \$5.08 million (about 15% of the CPPF) from seven spending categories to cover expenses in four other categories within the CPPF. (See Exhibit 1.)

Exhibit 1: Police Department Spending within the CPPF Differing from Council Ordinance

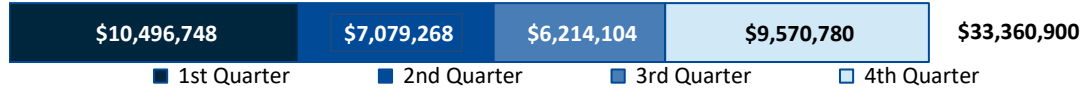
Categories Not Fully Expended	Amount	Categories Spent Beyond Allocation	Amount
(a) Hiring of officers with a focus on diversity recruitment	\$1,470,127	(e) Full-time dedicated Crisis Intervention (CIT) Officers	\$17,040
(b) Salary increases	\$687,000	(g) Violent Crimes Division victim and witness support services	\$4,683,884
(c) Dedicated patrol and community outreach staff	\$1,137,866	(i) Police Crime Laboratory	\$262,134
(d) Establishment of Community Action Network (CAN) Centers	\$137,368	(j) Dedicated School Resource Officers (SRO) for Public Schools in Kansas City	\$120,715
(f) 9-1-1 Call Takers and Communications Unit	\$1,516,962		
(k) Enhanced publicly available data reporting	\$85,775		
(l) Enhanced cell phone analytical software and support	\$48,695		

\$5.08 million

Source: Kansas City Police Department Fiscal Division and City Auditor Office Analysis.

FY 2023 Fourth Quarter: Police Spending from the Community Policing and Prevention Fund

Overall, the Police Department reported allocating the final approximately \$9.6 million of the Community Policing and Prevention Fund (CPPF) in the fourth quarter (February 2023 – April 2023; 6 pay periods).



[Ordinance 220216](#) establishes the city’s expectations regarding the Police Department’s expenditure of \$33.36 million in 12 categories during fiscal year 2023. Exhibit 2 shows the CPPF expenditure categories, the appropriation by the City Council for each spending category, the amount spent in each quarter, and percent of funds spent in each spending category.

Exhibit 2: CPPF FY 2022-23 Expenditures Compared to Appropriation, by Category

Spend Category	Council Appropriation	1st Qtr Expenses	2nd Qtr Expenses	3rd Qtr Expenses	4th Qtr Expenses	Total Spent	Percent Spent
(a) Hiring of officers with a focus on diversity recruitment	\$4,000,000	\$349,310	\$383,936	\$967,587	\$829,040	\$2,529,873	63%
(b) Salary increases	5,152,653	805,328	993,643	1,357,735	1,308,947	4,465,653	87%
(c) Dedicated patrol and community outreach staff	4,278,763	771,505	684,623	763,534	921,235	3,140,897	73%
(d) Establishment of Community Action Network (CAN) Centers in East Patrol and Metro Patrol	400,000	\$48,861	65,617	80,940	67,214	262,632	66%
(e) Full-time dedicated Crisis Intervention (CIT) officers	550,228	142,749	125,361	171,186	127,971	567,268	103%
(f) 9-1-1 Call Takers and Communications Unit operations	6,570,400	1,232,948	1,153,538	1,462,175	1,204,777	5,053,438	77%
(g) Violent Crimes Division victim and witness support services	7,000,000	3,099,494	2,647,237	1,253,269	4,683,884	11,683,884	167%
(h) Special Operations Division and Traffic	2,588,875	2,588,875	0	0	0	2,588,875	100%
(i) Police Crime Laboratory	2,000,000	1,113,598	886,402	0	262,134	2,262,134	113%
(j) Dedicated School Resource Officers (SRO) for Public Schools in Kansas City	320,000	124,122	89,733	104,408	122,452	440,715	138%
(k) Enhanced publicly available data reporting	200,000	14,526	30,968	36,600	32,132	114,225	57%
(l) Enhanced cell phone analytical software and support	300,000	205,430	18,210	16,670	10,995	251,305	84%
Total	\$33,360,919	\$10,496,748	\$7,079,268	\$6,214,104	\$9,570,780	\$33,360,900	100%

Source: KCPD Fiscal Division and City Auditor’s Office analysis.

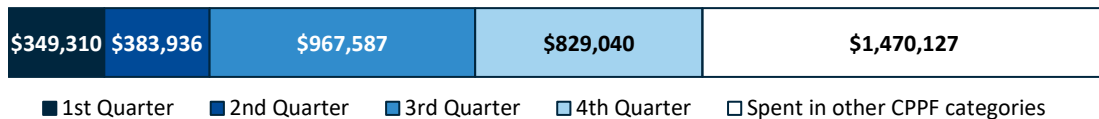
The Board of Police Commissioners approved the Police Department’s requests to transfer amounts between budget line items within the CPPF fund on February 28th and April 25th. The Police Department reported it was unable to spend the fund balances within the original categories due to hiring challenges and attrition. The department said they did not charge eligible salary expenses, such as health and life insurance costs, within some spending categories because of time constraints.

Costs Appropriately Assigned to New Hires, Crisis Intervention Team, and Publicly Available Data Reporting Enhancements

We verified new and lateral officer recruits allocated to the new hiring category, officers assigned to the Crisis Intervention Team, and staff salaries charged to publicly available data reporting enhancements in the CPPF categories were performing those activities during the pay periods reported.

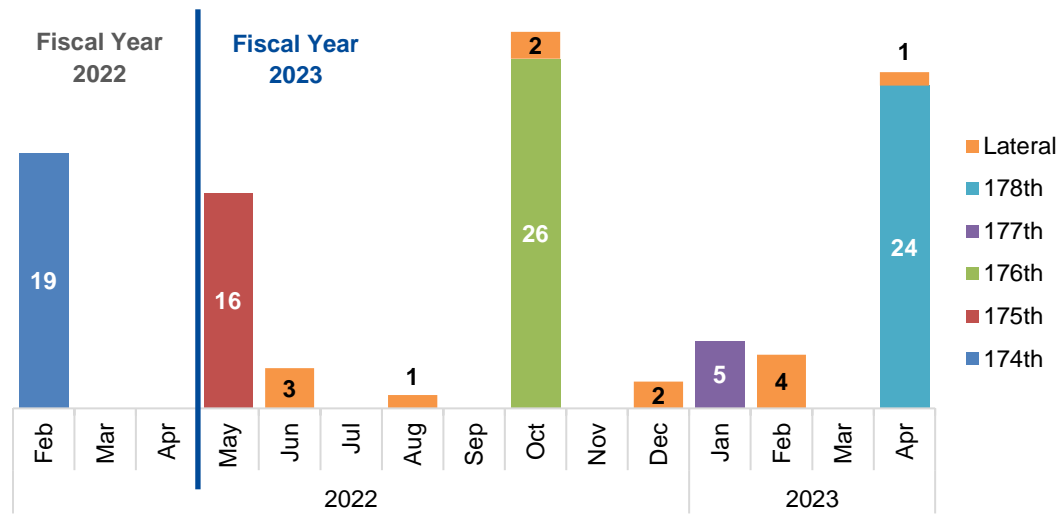
(a) Hiring of at least 88 officers with a focus on diversity recruitment. Between February 2022 and April 2023, the Police Department hired 103 officers including lateral recruits, officers graduated from the academy now on assignment, and officers currently in the academy.⁶ (See Exhibit 3.)

The department reported allocating \$829,040 for 79 staff members to the CPPF by the end of the fourth quarter. Because Academy Class 178’s 24 cadets began the final week of the Fiscal Year their class was not actually charged to the CPPF in the 4th quarter.



⁶ A lateral officer is an individual with prior law enforcement experience that is sent through an abbreviated academy class.

Exhibit 3: KCPD Personnel Allocated to Category (a) by Entrant Officer Classes and Laterals Charged to CPPF for Fiscal Year 2023

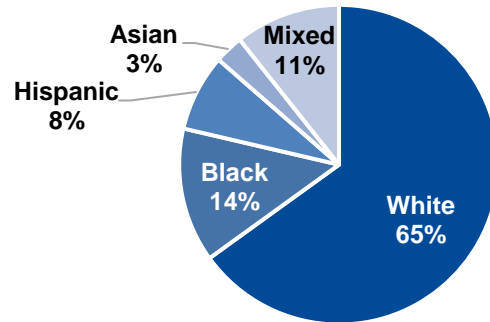


Source: KCPD Fiscal Division and City Auditor’s Office Analysis.

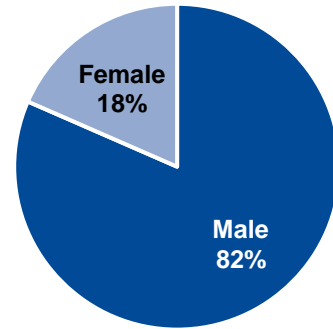
For all graduate recruits, recruits still in the academy or laterals hired in fiscal year 2023, the Police Department reported that 82 percent were male, and 18 percent were female. Additionally, 65 percent were White, 14 percent were Black, 11 percent were of mixed heritage, 8 percent were Hispanic, and 3 percent were Asian.^{7,8} (See Exhibit 4.)

Exhibit 4: KCPD Diversity Hiring Demographics

Race/Ethnicity



Gender



Source: KCPD Academy Staff and City Auditor’s Office Analysis.

⁷ KCPD’s reported racial demographic inclusion of the option “Hispanic” may impact the percentages shown. The U.S. Census Bureau recognizes 5 categories for reporting racial identity including White, Black, or African American, American Indian, or Alaska Native, Asian, and Native Hawaiian or Other Pacific Islander.

⁸ Total percentages may not equal 100 percent due to rounding.

(e) Full-time Dedicated Crisis Intervention (CIT) Officers.

The Department reported allocating \$127,971 to the CPPF category of full-time dedicated crisis intervention officers. This amount includes approximately \$17,000 that was transferred from other CPPF spending categories to cover additional fourth quarter costs. The department reported only allocating personnel expenses to this category in this quarter. Exhibit 5 shows the department charged five positions to this category during the fourth quarter pay periods.

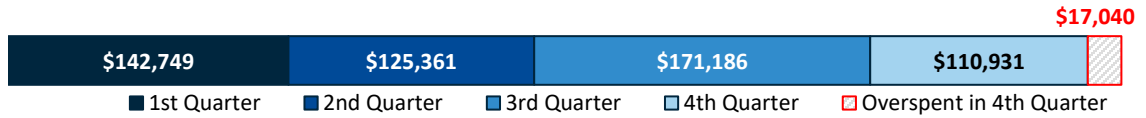
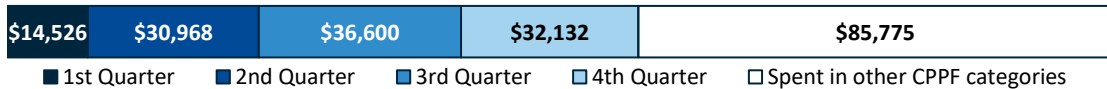


Exhibit 5: KCPD Personnel Allocated to CPPF Category (e) in 4th Quarter Pay Periods



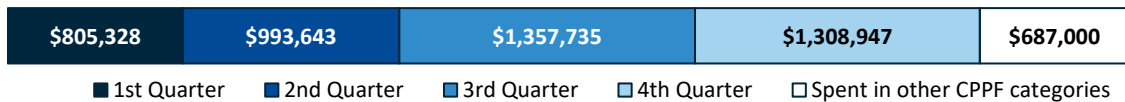
Source: KCPD Fiscal Division and City Auditor’s Office Analysis.

(k) Enhanced publicly available data reporting. The department reported allocating \$32,132 to enhanced data reporting expenses in CPPF. The department reported allocating one officer’s personnel expenses to this category this quarter.



Breakdown of Police Department Reported Spending within Categories as Outlined in the Ordinance

(b) Salary increases. The department reported allocating \$1,308,947 for salary increases to the CPPF this quarter.



(c) Dedicated Patrol and Community Outreach staff. The department reported allocating personnel expenses of \$921,235 for 35-38 officers assigned to the dedicated patrol and community outreach CPPF category this quarter. (See Exhibit 6.)

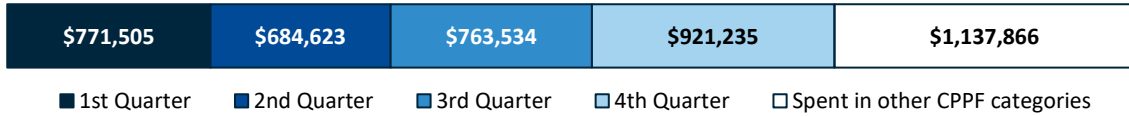
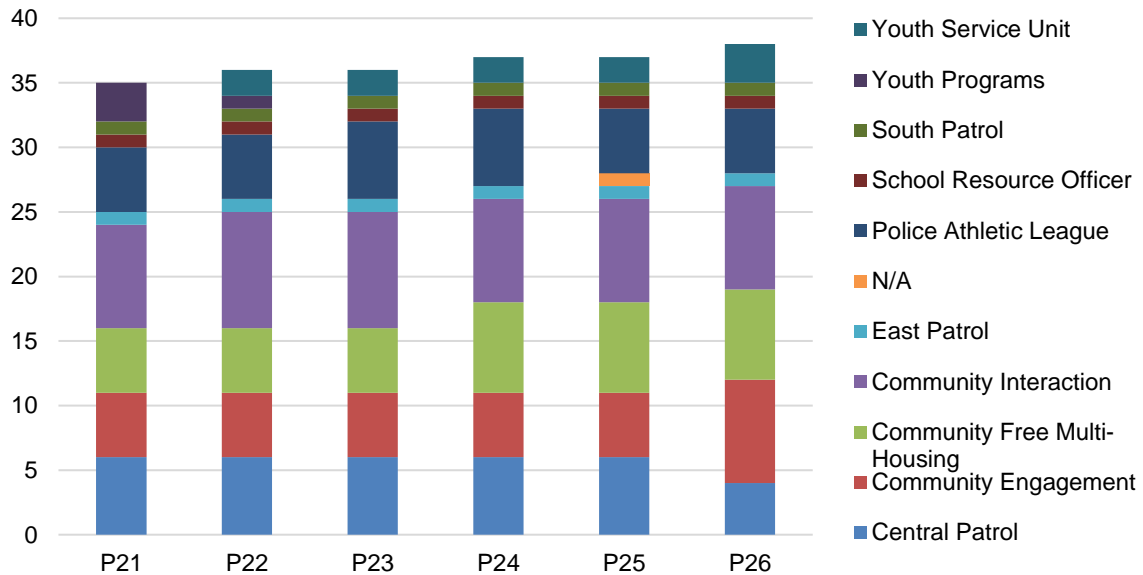


Exhibit 6: KCPD Personnel Allocated to CPPF Category (c) in 4th Quarter Pay Period



Source: KCPD Fiscal Division and City Auditor's Office analysis.

(d) Establishment of Community Action Network (CAN) Centers in East and Metro Patrol. The department reported allocating personnel expenses to the CPPF of \$67,214 for 4 officers assigned as CAN officers in the East and Metro Patrols. (See Exhibit 7.)

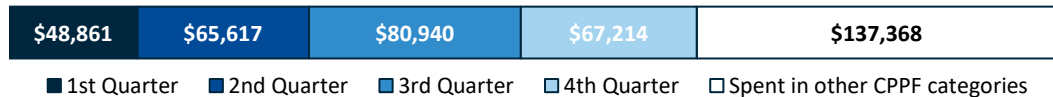
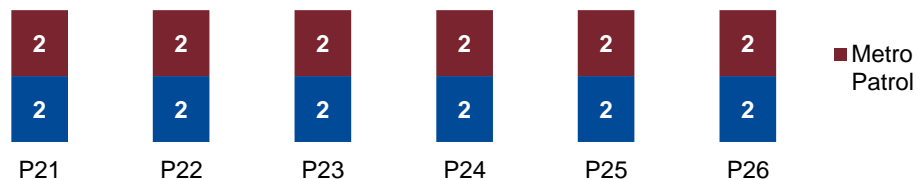


Exhibit 7: KCPD Personnel Allocated to CPPF Category (d) in 4th Quarter Pay Period



Source: KCPD Fiscal Division and City Auditor's Office analysis.

(f) 911 call takers and communication unit operations. The department reported allocating \$1,204,777 to 911 call takers and communications expenses in CPPF during the fourth quarter.

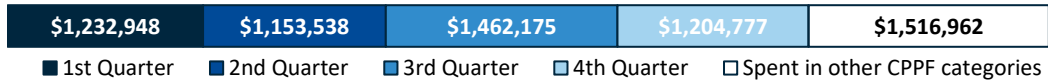
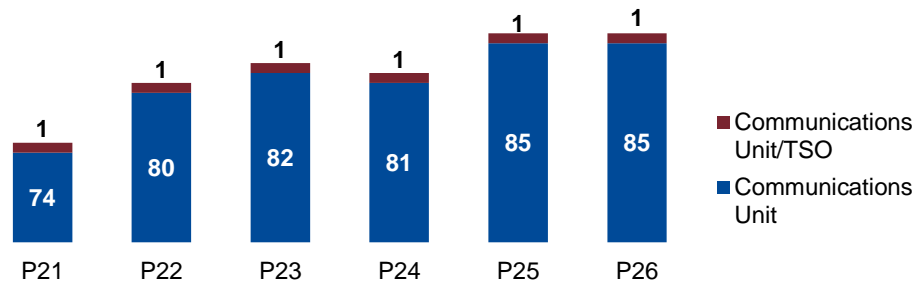


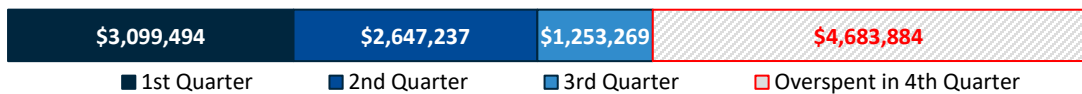
Exhibit 8 shows the department charged between 75 and 86 full-time positions over six pay periods for fourth quarter expenses. The department allocated \$17,730 in contractual services to pay for nine contract employees in the communications unit for the fourth quarter.

Exhibit 8: KCPD Personnel Allocated to CPPF Category (f) in 4th Quarter



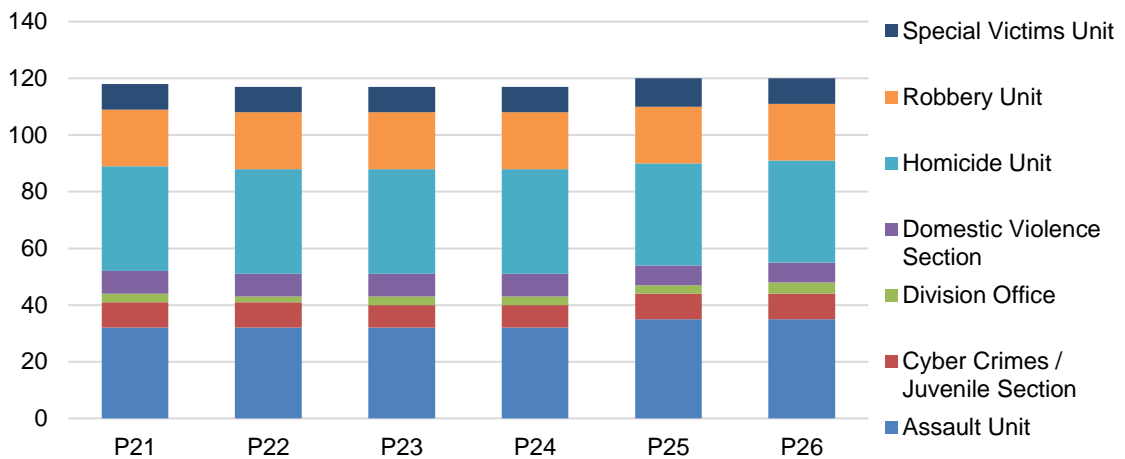
Source: KCPD Fiscal Division and City Auditor’s Office analysis.

(g) Violent crimes division victim and witness support services. The department reported allocating the remaining funds in this spending category in the third quarter. The department allocated an additional \$4,683,884 to this spending category in the fourth quarter by transferring unspent balances from other CPPF spending categories.



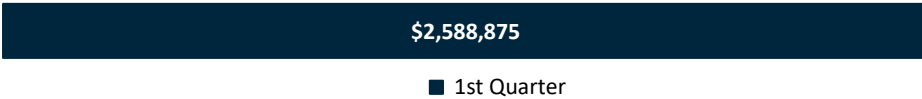
The department reported allocating only personnel expenses to this category for this quarter. Exhibit 9 shows the department’s allocation per pay period of officers by Violent Crimes Division activity.

Exhibit 9: KCPD Personnel Allocated to CPPF Category (g) in 4th Quarter Pay Periods



Source: KCPD Fiscal Division and City Auditor's Office analysis.

(h) Special Operations and Traffic Divisions. The department did not report allocating any expenses to the Special Operations and Traffic Division CPPF category in the fourth quarter. All these funds were allocated in the first quarter.



(i) Police Crime Laboratory including DNA Detection Software. The department reported allocating all originally approved funds in this spending category in the second quarter. The department transferred an additional \$262,134 to this spending category in the fourth quarter by transferring unspent balances from other CPPF spending categories.



(j) Dedicated school resource officers for public schools in Kansas City. The department reported allocating personnel expenses of \$122,452 for 5 officers during the 4th quarter. (See Exhibit 10.) This amount includes approximately \$120,000 the department transferred from other CPPF spending categories to cover additional fourth quarter costs.

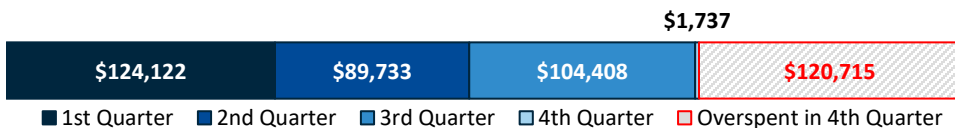
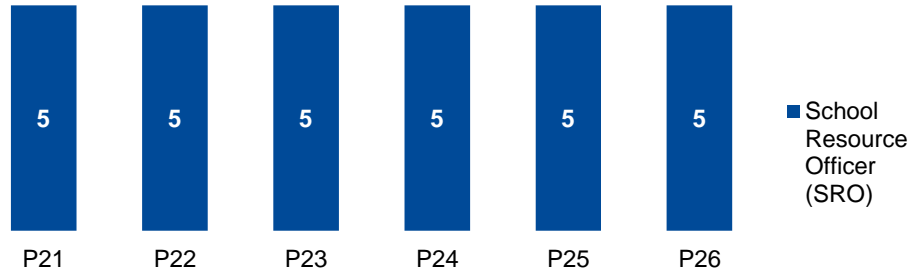


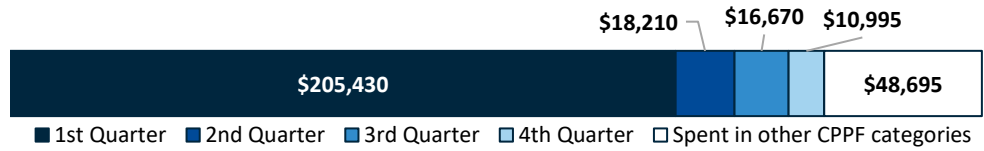
Exhibit 10: KCPD Personnel Allocated to CPPF Category (j) in 4th Quarter Pay Periods



Source: KCPD Fiscal Division and City Auditor’s Office analysis.

(I) Enhanced cell phone analytical software and support.

The department reported allocating \$10,995 for information from cell phone companies to this CPPF category in the fourth quarter.



Changes in Police Budgeting Can Improve Resource Management and Increase Transparency

Police Board Approved Budgets Not Adjusted for Actual City Appropriations

The Police Department’s adopted budgets did not plan for appropriations from the city that were less than the department requested. Government Finance Officers Association (GFOA) recommended practices state that local government entities should evaluate revenue and expenditure options together prior to making specific budgetary decisions. All expenditures should identify service level assumptions and key issues that may affect actual expenditures. Expenditure assumptions should also be described in relation to revenue assumptions. These projections should be available to stakeholders prior to making budget decisions.

In Fiscal Years 2023 and 2024, the city increased appropriations year-to-year, but the appropriated amounts were less than requested by the Police Department. A budget that plans for these lower-than-expected revenues should identify what line items the department plans to reduce to account for the lower revenue.

Instead in both years, the department’s budget creates a placeholder for the known revenue short fall. In Fiscal Year 2023, the department’s budget adopted by the Police Board shows most of this lower appropriation as ‘Salary Savings Assessment’. (See Exhibit 11.) In Fiscal Year 2024, the department’s budget shows most of the lower appropriation as “Efficiency Cuts’ to contractual services. (See Exhibit 12.)

Exhibit 11: Fiscal Year 2023 Police Department Budget Adjustment

	Actual 2020-21	Adopted 2021-22	Estimated 2021-22	Requested 2022-23	Appropriated 2022-23	Appropriated Compared to Adopted	Percent Change	Appropriated Compared to Requested
0510 Salary Savings Assessment	0	(17,437,658)	0	0	(16,030,739)	1,406,919	-8.1%	(16,030,739)

Source: Kanas City, Missouri Police Department Fiscal Year 2023 Adopted Budget.

Exhibit 12: Fiscal Year 2024 Police Department Budget Adjustment

	Actual 2021-22	Adopted 2022-23	Estimated 2022-23	Requested 2023-24	Appropriated 2023-24	Appropriated Compared to Adopted	Percent Change	Appropriated Compared to Requested
1994 Efficiency Cuts	0	0	0	0	(11,962,181)	(11,962,181)	NA	(11,962,181)
Total Contractual Services	13,090,712	15,221,562	11,857,305	15,133,525	3,296,344	(11,925,218)	-78.3%	(11,837,181)

Source: Kanas City, Missouri Police Department Fiscal Year 2024 Adopted Budget.

Board of Police Commissioners Is Responsible for Budgeting Use of Funds Appropriated by the City

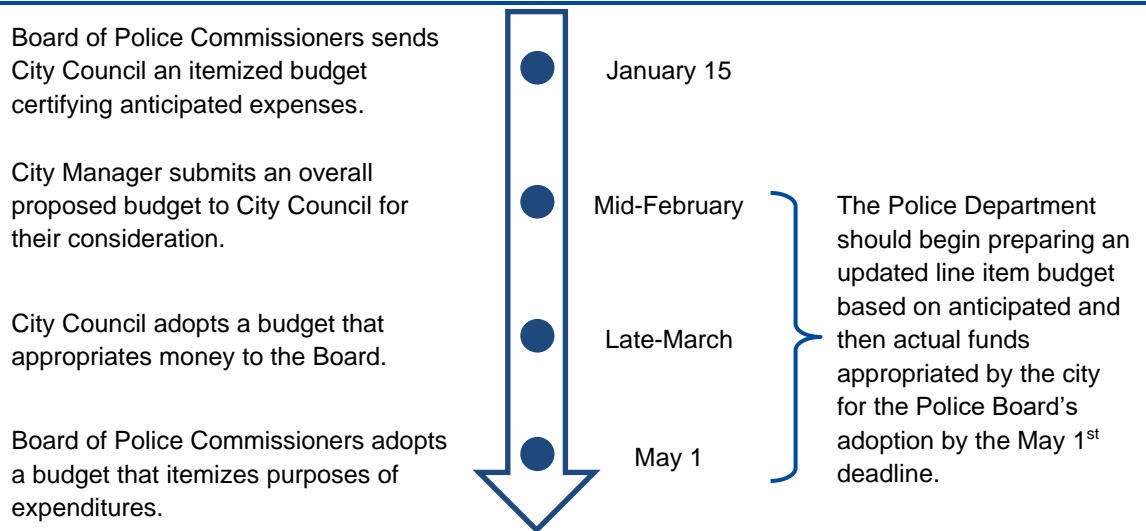
Police Department staff believe they are required to adopt the line-item budget City Council appropriates to them, even if it leaves a large unplanned line item. While the City Council has certain

requirements under state law for appropriating money to the Police Department⁹, the Board of Police Commissioners (Police Board) is responsible for determining how to itemize the funds appropriated by the city to operate the Police Department.¹⁰ GFOA recommended practices state that agencies such as the Police Department should present to the governing body (Police Board) a comprehensive budget for the board’s consideration. This budget should include any known revenue shortfalls that will impact planned expenditures.

When the City Council appropriates an amount less than the Police Department requests, it is city staff’s practice to account for most of that difference in a single line item in areas other than personnel first. (See Exhibits 11 and 12.) City staff state they anticipate the department would evaluate and adjust specific line items based on how the Police Department and Police Board wish to manage its resources.

The department has time to present a comprehensive budget that considers revenue and expenditure options together during the normal budgeting process. (See Exhibit 13.) This is necessary to allow stakeholders to judge whether there is an appropriate balance of resources and priorities for assigned uses. Employing this approach fosters public understanding of how resources are used and promotes trust in the governing body.¹¹

Exhibit 13: Police Budgeting Requirements and Opportunities



Source: Missouri Revised State Statutes 84.730, 84.740, and Charter of Kansas City, Missouri, Art VIII, Sec 804(a), 805(d), and City Auditor’s Office analysis.

⁹ RSMo. §84.730 (2022).

¹⁰ RSMo. §84.740 (1943).

¹¹ Recommended Budget Practices: *A Framework for Improved State and Local Government Budgeting*, Government Finance Officers Association, Chicago, Illinois, June 1998.

Department Budgeting Practice Causes Confusion, Reduces Transparency

The Police Department addresses known budget shortfalls (See Exhibits 11. and 12.) through budget transfers. While budget transfers are a routine part of operations to address variances in expenses or revenues, the department uses the budget transfer process instead of documenting in their adopted budget how they plan to use limited resources to operate the department.

The same day the Police Board adopted their Fiscal Year 2023 budget, the department submitted budget transfer requests of more than \$17.38 million to the Police Board. In Fiscal Year 2024, after the Police Board's adoption of the budget, the department immediately submitted budget transfer requests for approximately \$2 million and has needed to transfer hundreds of thousands of dollars monthly to address the 'efficiency savings' in Exhibit 12 above.

These budgeting practices may not be clear or transparent to decision makers, the City Council, and the public. While the Police Department's adopted budget is posted publicly and widely discussed, department transfers are not publicly posted.¹² The Police Board discusses budget transfers during the board meeting, but the discussions are brief and there has been some confusion amongst board members regarding why there is a need for the transfers. The department's budget transfers represent the administrative decisions of how the department is prioritizing spending based on limited funds.

A comprehensive budget should identify key issues and decisions, provide appropriate analysis, promote trust, and facilitate discussion so that well-considered budgetary decisions can be made. The department's current budgets do not enhance stakeholders' understanding of important budget issues and tradeoffs that will result from the city not appropriating all the funds included in the Police Department's budget request. This makes for a reactive approach involving monthly transfers from one expenditure category to support shortfalls in another category.

Recommendation

To promote transparency and budget planning, after the City Council approves the amount appropriated to the Police Department for a fiscal year, the Chief of Police should submit an amended budget to the Board of Police Commissioners that identifies planned line item spending based on the funds appropriated.

¹² In compliance with RSMo 84.740, the Police Board meeting minutes identify a transfer memo was approved; however, the details of the transfer are only available upon request.

Recommendation

1. The Chief of Police should submit an amended budget to the Board of Police Commissioners that identifies planned line item spending based on the funds appropriated.

Appendix A: Objective, Scope and Methodology, and Compliance Statement

We conducted this performance audit of the Community Policing and Prevention fund under the authority of Article II, Section 216 of the Charter of Kansas City, Missouri, which establishes the Office of the City Auditor and outlines the city auditor's primary duties. We also conducted the audit under the authority of Section 84.350 of Revised Statutes of Missouri, which authorizes the city auditor to audit the Kansas City, Missouri, Police Department.

A performance audit provides "objective analysis, findings, and conclusions to assist management and those charged with governance and oversight with, among other things, improving program performance and operations, reducing costs, facilitating decision making by parties with responsibility for overseeing or initiating corrective action, and contributing to public accountability."¹³

Why We Did This Audit

[Ordinance 220216](#) directs the City Auditor to schedule and conduct quarterly audits of the Board of Police Commissioners efforts to meet the city's expectations as outlined in the ordinance and report to the Council as soon as practical after the end of each fiscal quarter.

Audit Objective

This report is designed to answer the following question:

- Did the Police Department spend the Community Policing and Prevention Fund as expected by the City Council during the fourth quarter?

Scope and Methodology

We received the fourth quarter expenses report from the Police Department on May 19, 2023. Our audit methods included:

- Reviewing and comparing Police Department reported expenses to the categories outlined in Ordinance 220216 to determine the percentage of CPPF that has been spent in the fourth quarter.

¹³ Comptroller General of the United States, [Government Auditing Standards](#) (Washington, DC: U.S. Government Printing Office, 2018), pp. 10, 11.

- Evaluating the accuracy and eligibility of reported expenses for selected spending categories, including enhanced data reporting and full-time dedicated crisis intervention officers.
- Communicating with the Police Department to understand CPPF expense allocation.
- Reviewing fourth quarter Board of Police Commissioners minutes to identify any direction the board gave the department regarding CPPF funds.
- Comparing Police Department budgeting to Government Finance Officers Association recommended practices to evaluate their process.

Statement of Compliance with Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. 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. No information was omitted from this report because it was deemed confidential or sensitive.

Scope of Work on Internal Controls

We assessed internal controls relevant to the audit objectives during the first quarter audit. This included evaluating the adequacy of control designs, confirming the implementation of controls, and evaluating whether management applied controls consistently and at appropriate times to determine their effectiveness. The Police Department's Fiscal Division designed and implemented a reasonable process to accurately report their quarterly use of the CPPF. Their report relies on the fiscal division staff to manually select the budget items to allocate to each expense category.

This report reviewed expenses allocated to full-time, dedicated crisis intervention officers and enhanced data reporting to verify they were operated correctly during the 4th quarter. Reports in previous quarters assessed the department's allocation of expenses in additional categories.

Appendix B: Police Chief's Response

Police
KC/MO

Stacey Graves
Chief of Police

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CITY AUDITOR'S OFFICE

September 12th, 2023

Chief's Office
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www.kcpd.org

Office (816) 234-5010
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Doug Jones, City Auditor

Thank you for providing an opportunity to respond in regard to the FY 2023 Fourth Quarter CPPF audit. I along with members of the Executive Services Bureau and Fiscal Division are very appreciative of you and city auditing staff for the patience and cooperation as we have worked through the new CPPF budgetary and reporting process implemented in FY 2023.

The Department strives for transparency in all aspects of finance and therefore agrees there are always opportunities for process improvement. Department fiscal staff and executive command staff make every effort during the city budgetary process to ensure City Council members, Mayor Lucas, the City Manager and city finance personnel fully understand the budgetary effect(s) of any city proposed efficiency cuts. Department staff also make every effort to ensure community members understand the budgetary effect of city proposed efficiency cuts by presenting to the City Council and BOPC during open public sessions which occur during the budget process.

In response to the audit recommendation, the department disagrees in part with submitting an amended budget to the BOPC for acceptance. Department financial accounts have to mirror the accounts within the city. The BOPC should not approve a Police Department budget that contradicts the police budget approved and appropriated by City Council. It negates the goals of increased transparency if budget adjustments are made outside of a public BOPC setting prior to BOPC budget adoption. The department welcomes open consultation with City Council and city finance to align the adjusted police budget (after city efficiency cuts) with the needs of the department, prior to city council adoption. This will then allow for police department budget transparency in both the city and BOPC's adopted budget.

Again, I would like to thank you and your staff for working with us through this process. The Department is looking forward to working with City Council and city finance to develop a budgetary process which increases transparency and allows more efficient budget planning.



Stacey Graves
Chief of Police

Audit Recommendation: The Chief of Police should submit an amended budget to the Board of Police Commissioners that identifies planned line item spending based on the funds appropriated.