LOS ANGELES POLICE DEPARTMENT
Basic Auditor Course - 24 Hour
1850-22711

Instructional Goal: To provide the student with the knowledge and training to perform internal auditing within their law enforcement agency.

Performance Objectives: Given instruction using lecture, PowerPoint, group discussion, learning activities and testing, the students will learn:

❑ To develop an approach to auditing.
❑ The proper audit format.
❑ To interpret audit findings.
❑ To make the appropriate recommendations.
❑ To complete an audit report.

References: Instructors, facilitators and training supervisors shall ensure that current references are utilized

I. WELCOME AND ORIENTATION
    A. Welcome and orientation
        1. Pledge of Allegiance
        2. Course Coordinator and Instructor Introductions
        3. ***ICEBREAKER:*** Student Introductions
    B. Orientation
        1. Purpose of the course
        2. Department Core Values and Auditing Values
        3. Course Curriculum and Schedule
    C. Logistics
        1. Promptness
        2. Critiques
        3. Attendance
        4. Facilities
        5. Parking
        6. Attire
        7. What is needed to pass this course?
        8. Grading Scale
        9. Certificate of Training
    D. Conclusion
        1. Questions
        2. Concerns

II. HISTORY, PURPOSE AND STANDARDS OF LAW ENFORCEMENT AUDITING
    A. Introduction
        1. Learning goals
        2. **ICEBREAKER:** Recent Law Enforcement Incidents
    B. Discussion of scandals in law enforcement nationwide
        1. LAPD Consent Decree
        2. Discuss LAPDs history in beginning law enforcement auditing
        3. Discuss recent/current news events
    C. Benefits of Law Enforcement Auditing
        1. Things that get audited get done

    2. Determining best practices
    3. Measure of Systemic Performance
    4. Increases public trust
    5. Police accountability
    6. Consulting
D. What are the governmental auditing standards?
    1. Yellow Book Structure
    2. Red Book Structure
E. **LEARNING ACTIVITY:** Using the Yellow Book chapters 1, 2, 3, 4,5, 8 and/or 9
F. Professionalism
    1. Associations
    2. The significance of certification
    3. **VIDEO:** Life as an Auditor
G. Conclusion
    1. Questions

III. AUDIT PLANNING & RISK ASSESSMENT

A. Opening
    1. Learning goals
B. Audit Planning/Risk Assessment
    1. Risk assessment and internal auditing
    2. Understanding Audit Planning
    3. Understanding Risk Assessment
    4. **VIDEO:** Why do we audit?
C. What is Internal Auditing and Why it is needed
D. Types of audits
    1. Compliance
    2. Performance
    3. Information System
    4. Special Assignment
E. Topics to consider when planning
    1. Setting objectives
    2. Discussing the scope and methodology
    3. Considering internal controls
    4. Identifying audit criteria and previous audits
    5. Assigning staff and other resources
    6. Communicating with management and others
    7. Preparation of the audit plan
F. Research
    1. Get educated about the audit topic
    2. Identify audit criteria and review previous audits
    3. Prepare the specific objectives for the audit
    4. Review the prior findings to assess the risk
    5. Be sure to focus on prior recommendations
G. Risk
    1. Definition of Risk
    2. Risk Assessment:
H. *LEARNING ACTIVITY:* What Are Your Risks? (Planning a vacation)

1. Location
2. Cost
3. Need
4. Risks
5. Benefits

I. Risk Management
   1. Types of Risk
   2. Consequences (Impact)
   3. Likelihood
   4. Measures of Risk
   5. Assessment of Risk
J. Things to keep in mind when assessing risk
   1. Controls
   2. Auditor's role
K. Audits
   1. Audit gathering
   2. Types of audits
   3. Planning
L. Discussion of staff selection for audit teams
   1. Auditors should possess the knowledge, skills, and other competencies needed
   2. Auditors should be skilled in communicating effectively
   3. Scope of work and level of responsibility
   4. Audit staff should collectively possess the knowledge and skills within the organization
   5. Continuing professional education is essential
M. *LEARNING ACTIVITY:* Selecting an Audit Team
   1. Entrance Meeting
   2. Fieldwork Meetings
   3. Exit Meeting
   4. Audit Planning
   5. Risk Assessment
N. **VIDEO:** "Entrapment"
O. Conclusion
   1. Questions

IV. AUDIT WORK PLANS
A. Introduction
   1. Learning goals
   2. *ICE BREAKER*: Government and Law Enforcement trivia
B. Audit Work Plans (AWP)
   1. Definition
   2. *LEARNING ACTIVITY:* Audit Work Plans Pros and Cons
C. Amount of detail an AWP contains will depend on:
   1. The type of audit
   2. Auditor proficiency
   3. Whether previous audits conducted
   4. Amount of scrutiny anticipated
D. The components of an AWP

1. Purpose
2. Background
3. Prior Audits
4. Understanding of Internal Controls
5. Understanding of Information Systems
6. Risk Assessment
7. Scope
8. Methodology
9. Objectives
10. Audit Staff
11. Reference Materials
12. Any Additional Matters

E. *VIDEO CLIP* – Dramatic footage showcasing law enforcement activities which may be subject to audit.
F. Starting Point – Objectives
   1. Start with source documents
   2. Find and to focus on target areas objectives
   3. Source Documents: What am I looking for?
   4. Hot topics or issues
   5. Laws, Policies, Procedures with "shall", "document", "must"
G. *CLASS GROUP EXERCISE:* Reference the LAPD Manual for arrest reports procedures
H. The AWP narrative includes the following three headings
   a. Criteria
   b. Audit Procedures
   c. Matrix Question
I. Objectives Narrative: Explain to the class the AWP narrative headings:
   1. <u>Criteria</u>: This is the standard (law, policies, procedures) by which each audit objective will be measured for compliance.
   2. <u>Audit Procedures</u>: The procedures the auditor will use to follow in order to determine whether the audit objective has met the standard for the objective.
   3. <u>Matrix Question</u>: Test question to measure the compliance of an objective to arrive at a numerical compliance percentage.
J. *LEARNING ACTIVITY:* Writing Objectives Exercise
K. Conclusion:
   1. Questions

DAY 2

V. POPULATION AND SAMPLING
  A. Introduction
    1. Learning goals
  B. Testing 100%/Sampling
    1. Things to consider during the planning of the audit
  C. Testing 100%
    1. Eliminate sampling risk
    2. Best suited for small populations, high profile subject matter and dated that can be readily assessed
    3. Errors associated with testing large populations
    4. Auditor fatigue can cause mistakes to occur

D. *LEARNING ACTIVITY:* Time Required for Testing 100% of Population
E. Types of Sampling
   1. Random sampling
   2. Non-random sampling create
F. Random Sampling
   1. Laws of Probability
G. Sample Size Calculator
   1. Provides a systematic valid sample size
   2. Sample size is then randomized to produce your random sample
H. Stratification of Population
   1. Separate population into groups
   2. Proportional stratification
I. *LEARNING ACTIVITY:* Stratification
   1. Stratifying Districts
J. *LEARNING ACTIVITY:* Identifying Your Population
   1. Identifying population of arrest reports
K. Conclusion
   1. Questions

VI. AUDIT FIELD WORK
A. Introduction
   1. Instructor.
   2. Learning objectives.
B. Module Introduction
   1. What is audit field work?
   2. Evidence is:
   3. Audit Evidence is also known as "*Work Papers"*
C. Working Papers
   1. The main documentary evidence of audit testing, discussions and observations.
   2. Serves as the record of the audit work performed.
D. Good Working Papers (Evidence)
   1. Sufficient.
   2. Appropriate.
E. The field work process
   1. Basic steps in field work
   2. Consider the Audit Trail
F. Identify the Documents Needed
   1. During the planning process, the necessary documents for the audit. (example ABC Audit)
   2. The Project Manager (the lead Auditor) will coordinate the document collection process.
   3. Determine who has been appointed the contact person.
G. Indexing the Audit Documents
   1. Indexing is a process used to identify.
H. Referencing and the Audit Trail
   1. Develop a referencing system that easily identifies each audit finding
   2. Ensure that your system of referencing establishes a clear and concise *audit trail*.
   3. The *Audit Trail*.

    I.   Discussing the Audit Trail
    J.   Reference and the Audit Trail
        1. The **Audit Trail** for the sample Finding is:
            a. Supported by the results of the audit test work from the testing instrument questions.
            b. The answer from the testing instrument questions are supported by the original Arrest Report and Statement Form containing the finding;
            c. A source document shows the Department Manual indicating the departure from Department standards
    K. Conclusion
        1. The instructor will review module content.
        2. The instructor will answer any student questions.

VII. CAPTURING AND ANALYZING FIELD WORK
    A. Introduction
        1. Instructor
        2. Learning Objectives
    B. Types of Audit Evidence
        1. Physical.
        2. Documentary.
        3. Testimonial.
    C. Test of Evidence
        1. Tests of audit evidence include: Sufficiency and Appropriateness
        2. Evidence should be sufficient to measure the quantity of evidence used for addressing the audit objectives and supporting findings and conclusions
    D. Common ways to Capture Data
        1. No Method.
        2. Basic Spreadsheet.
        3. Written Memos.
        4. Pictures.
        5. Manipulated Data Files.
        6. Survey Instruments.
        7. Compliance/Performance Testing Instrument.
    E. Expanded discussion of benefits and drawbacks of using of a Compliance/Performance Testing Instrument
        1. Benefits
        2. Drawbacks
    F. Main Components of a Compliance/Performance Testing Instrument
        1. Basic Tracking Information
        2. Questions
        3. Answers
        4. Crib Sheet
        5. Comments
    G. Pilot testing
        1. Benefits
        2. Drawbacks
    H. *LEARNING ACTIVITY:* Development of CPTI Questions
    I. *LEARNING ACTIVITY:* Using an Audit CPTI to Evaluate Arrest Reports

J. *LEARNING ACTIVITY:* Yellow Book Referencing elements of a finding (Criteria, Condition, Cause, Effect, and Recommendation)
K. Elements of a finding
   1. Criteria
   2. Condition
   3. Cause
   4. Effect
   5. Recommendations
L. Conclusion
   1. Questions

DAY 3
VIII. **REPORT WRITING**
   A. Opening
      1. Introduction
      2. Learning Objectives
   B. What is the purpose of the audit report
      1. Communicates why the audit was conducted
      2. Communicates how the audit was conducted: the audit methodology
      3. Communicates what was discovered: the audit findings
      4. Communicates audit recommendations
      5. Things that Get Audited Get Done

   C. Standard Audit Format
      1. Overview (Executive Summary)
      2. Background (includes Prior Audits)
      3. Scope and Methodology
      4. Summary of Findings
      5. Detailed Findings
      6. Other Related Matters
      7. Recommendations
      8. Actions taken/Management's Response
      9. Appendix
   D. Addendum Additional Documents:
      1. Cover Memo
      2. Cover Page
      3. Table of Contents
   E. Overview
      1. Be Brief
      2. Know Your Audience
      3. Tells what is being audited, and why
      4. Include GAGAS footnote
      5. Summary of significant findings
   F. Background/Prior Audits
      1. Include information that clarifies the purpose of the audit
      2. Discuss prior, similar audits, or mention that this is the first audit
      3. Prior recommendations and their status
   G. Scope and Methodology

    1. Describe how information was gathered
    2. Record sufficient detail so another auditor with similar background and experience can use the same methodology, examine the same sample population, and duplicate the findings.
    3. Describe Sampling Methods

H. Findings
    1. Summary of Findings
    2. Detailed Findings

I. Other Related Matters
    1. Only include this section if issues are identified that were not part of the objectives tested
    2. Outline these issues
    3. Relate to recommendations

J. Recommendations
    1. Recommend changes
    2. Number recommendations separately
    3. Tie each Recommendation to the associated Objective and/or Other Related Matter to ensure they are supported by the findings.
    4. Name the entity or entities responsible for implementation to assign accountability.

K. Actions Taken/Management's Response
    1. Did the auditee agree with the findings?
    2. What has auditee done or is planning to do to address findings?
    3. Tie Actions Taken to the associated Objective and/or Other Related Matter to show they address the findings.

L. Appendix (Appendices)
    1. An Appendix supplements the report
    2. Signature page
    3. Support documents, charts/graphs

M. Addendum (Addenda)
    1. An Addendum is additional information the auditor obtains after preparing the report
    2. Auditee's formal response to the audit report

N. Audit Report Writing Guidelines
    1. Use consistent formatting throughout the report
    2. Always proofread and edit your work!
    3. Flexibility and Structure: Form follows Function

O. Charts, Graphs, and Tables
    1. Label independently
    2. Be consistent in formatting

P. Bullets
    1. Use when more than one sub-point
    2. Keep sentences/phrases in the same context
    3. If more than two sentences, consider a paragraph
    4. Punctuate properly

Q. Things to Remember
    1. Stay Focused
    2. Answer the Question(s)
    3. CCP Reporting: Clear, Consistent, in Policy

R. *LEARNING ACTIVITY:* Write an Audit Report

 S. Conclusion
  1. Answer the student's questions

IX. COURSE REVIEW
 A. Introduction
  1. The course coordinator will introduce the instructors to the class
 B. ***CLASSROOM DISCUSSION:*** Course Review
  1. The instructor will explain the activity to the class
  2. The instructor will select students to read questions from the Controlled Notes Hand out and respond with an answer
  3. The instructor shall be brief the answers contained in the Controlled Notes Handout with the class
 C. Conclusion
  1. The instructor will answer the students' questions

X. FINAL EXAMINATION AND CRITIQUE
 A. Introduction
  1. The instructor will explain the testing process to the class
 B. ***TEST:*** True/False and Multiple-Choice Written Final Examination
 C. Answer sheet
  1. The student will fill out the answer sheet as instructed by the course coordinator
 D. Time
  1. The student will have two hours complete the examination
 E. Conclusion
  1. Reinforced key learning points
  2. Answer the students' questions