

FISCAL AUDIT

**DEPARTMENT OF PUBLIC SAFETY  
BUREAU OF POLICE**

**AUTO THEFT TRUST FUND (ATTF) SPECIAL REVENUE FUND**

Report by the  
Office of City Controller

**MICHAEL E. LAMB  
CITY CONTROLLER**

Douglas W. Anderson, Deputy Controller

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Robert Franklin, Fiscal Auditor

October 2012

October 23, 2012

To the Honorables: Mayor Luke Ravenstahl and  
Members of Pittsburgh City Council:

The Office of the City Controller is pleased to present this Fiscal Audit of the **Auto Theft Trust Fund**, conducted pursuant to the Controller's powers under Section 404(b) of the Pittsburgh Home Rule Charter.

### **EXECUTIVE SUMMARY**

The Auto Theft Trust Fund (ATTF) was established in 1988 as a special revenue fund to account for deposit of contributions made by Insurance Companies, Private Citizens, Businesses, Governmental Agencies and other sources to facilitate investigations of auto thefts. The ATTF is administered by the Auto Squad detectives within the Major Crimes Division of the Investigations Branch of the City of Pittsburgh Police Bureau.

The objective of this audit is to determine if the fund is properly accounted for and administered in accordance with Resolution #788. In order to achieve our objective, we performed certain procedures to evaluate the effectiveness and efficiency of the fund's fiscal operations and related internal controls.

Our audit did not disclose any instance of non compliance or any deficiency relating to internal controls.

We wish to acknowledge the assistance and cooperation of the staff involved with the management of the fund during the course of our audit.

Sincerely,

Michael E. Lamb  
City Controller

## **INTRODUCTION**

This fiscal audit of the Auto Theft Trust Fund was conducted pursuant to the Controller's powers under Section 404(b) of the Pittsburgh Home Rule Charter.

## **SCOPE AND METHODOLOGY**

This audit was conducted pursuant to Article IV, Section 404 (b) of the City of Pittsburgh Home Rule Charter. Our procedures covered the period July 1, 2011 through June 30, 2012.

The objective of this audit is to determine if the fund is properly accounted for and administered in accordance with Resolution #788. In order to achieve our objective, we performed the necessary audit procedures as follows:

- Interviewed Police Bureau personnel to gain an understanding of the processes and internal controls over the management of the Fund.
- Examined supporting documentations to determine compliance with the Funds' established operating policies and procedures.
- Examined records relating to revenues and expenditures recorded on the Fund.
- Applied procedures to determine whether expenditures were properly documented, authorized and for allowable purposes as stipulated in Resolution #788.
- Examined a sample of payroll expenses including overtime (where applicable) to ensure hours paid were approved and properly recorded.

We performed these procedures during the last week of August, 2012.

## OVERVIEW

The Auto Theft Trust Fund (ATTF) was established by Resolution #788 in 1988 as a special revenue fund to account for deposit of contributions made by Insurance Companies, Private Citizens, Businesses, Governmental Agencies, and other sources to facilitate investigations of auto thefts. The ATTF is administered by the Auto Squad detectives from the Major Crimes Division of the Investigations Branch of the City of Pittsburgh Police Bureau. Three full time detectives work (with additional detectives working overtime as needed) on rotating shifts from 8:00 a.m. to 11:00 p.m. investigating auto thefts, insurance fraud, tow pound and tow truck complaints. The detectives are also responsible for the inspection of auto repair garages in the city. There were 509 cases of auto thefts investigated in 2011 with 187 determined to be unfounded (not a crime) and 205 (or 63%) cleared by the Auto Squad detectives. Also, 13 garages were inspected and 88 tow pound complaints investigated during 2011.

The ATTF is funded by contributions from Insurance Companies, Private Citizens, Businesses and Governmental Agencies. Allowable expenditures for the fund include all expenses associated with the investigations of auto theft such as salaries, premium pay, supplies, materials and other miscellaneous expenses.

Since 1996, the ATTF has been receiving grants from the Pennsylvania Auto Theft Prevention Authority (ATPA). The ATPA was established in 1994 to fund activities that prevent, combat and reduce automobile thefts. The Authority is funded through annual assessments paid by Auto Insurance Companies doing business in Pennsylvania. An application/request is required to be submitted by the City of Pittsburgh Police Department in order to receive the grant. The grant is awarded every two years with grant monies received quarterly, based on actual expenses incurred by the fund. **During the audit period, the only sources of revenue for the ATTF were grants from the ATPA.** Table #1 below shows quarterly payments from the Pennsylvania Auto Theft Prevention Authority to the ATTF.

<b>Table #1 - Auto Theft Trust Fund Revenues July 1, 2011 - June 30, 2012 (Audit Period)</b>		
<b>Quarter</b>	<b>Date Received</b>	<b>Amount</b>
First Quarter (September)	10/10/2011	\$76,750
Second Quarter (December)	1/12/2012	76,749
Third Quarter (March)	4/21/2012	36,498
Fourth Quarter (June)	8/13/2012	79,637
	<b>TOTAL</b>	<b>\$269,635</b>

The ATTF received a total of \$269,635 in grant monies to cover actual expenditures for the period July 1, 2011 through June 30, 2012. **Table #2 below details those expenditures.**

<b>Table #2 - Auto Theft Trust Fund Expenditures July 1, 2011 - June 30, 2012 (Audit Period)</b>	
Salaries	\$199,823
Overtime	46,028
Vehicle	7,864
Utilities/Equipment Rental	6,054
Tools/Investigative Equipment	5,197
Travel/Training	4,669
<b>TOTAL</b>	<b>\$269,635</b>

### **AUDIT RESULT**

Our audit did not disclose any instance of non compliance or any deficiency relating to internal controls over management of the fund. The Auto Squad generally administered the fund in accordance with the established policies. Transactions tested were properly approved, recorded, and expenditures were for allowable purpose.