



The Executive Summary should be interpreted within the context of the complete engagement report.

June 2023

BACKGROUND

The Office of Internal Audit received concerns regarding the Traffic Section scrap recycling process and how cash proceeds were handled. This engagement was designed to identify and address any concerns with the scrap recycling process.

The Public Works Department recycles scrap materials regularly. Two divisions within Public Works recycle scrap materials: the Traffic and Streets sections. Our review primarily focused on the Traffic section. The Traffic section recycles broken and out-of-date equipment and materials, such as traffic signals, traffic signs, and other materials.

Public Works Scrap Recycling Review

SCOPE

All records that exist and were available to us.

OBJECTIVE

The audit objective was to determine if adequate controls exist around scrap recycling within Public Works.

CONCLUSION

Based on the results of our engagement procedures, we conclude that adequate controls do not exist and funds cannot be accounted for.

KEY ISSUE and RECOMMENDATIONS AND RESPONSES

We cannot account for at least \$2,846.91 in cash and \$460.22 in checks from recycling City materials. Employees received cash payments for scrap recycling, Public Works, and we cannot determine whether the employees turned the cash over to their supervisor or the superintendent, or whether the funds were used for City expenses.

Additionally, based on our interviews, the Traffic Section has received cash payments for recycled scrap materials for years. However, there are no records documenting how much cash was received and for what it was used.

We recommend that Public Works file a police report for the \$2,846.91 in unaccounted-for cash.

Public Works has not developed and provided employees with policies or procedures on handling recycling scrap materials.

We recommend that Public Works implements a scrap recycling policy that includes items outlined in the audit report.

Management Response

Public Works Operations Division agrees with the findings and will file a report with Aurora Police Department to investigate potential fraud or theft of \$2,846.91 in unaccounted-for cash as no documentation can be found for the cash receipt or the expenditures. Public Works agrees with the recommendation and is currently working on a departmental policy regarding scrap recycling.

Complete audit report located here: [Link](#)