

Audit

Follow-up

As of September 30, 2011



Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP
City Auditor

Tallahassee Police Department Property and Evidence Function

(Report #1116 issued July 15, 2011)

Report #1203

February 8, 2012

Summary

Eight of the 15 action plan steps established to address issues identified in audit report #1116 have been successfully completed or resolved as of September 30, 2011. The remaining seven action plan steps are due to be completed in the future.

In audit report #1116 we determined that, overall, the Tallahassee Police Department (TPD) established and implemented adequate processes and controls that provide assurance that property and evidence items (P&E) were properly received, processed, stored, safeguarded, accounted for, and disposed. We also identified issues indicative of the need for further improvements and enhancements. Accordingly, recommendations were made that:

- Management enhance procedures to ensure access to P&E items are better managed and controlled.
- Management take corrective action to ensure items temporarily transferred from P&E facilities to other TPD staff and divisions are properly tracked and promptly returned when applicable.
- Management enhance procedures and processes to ensure incompatible duties and functions are properly segregated among different employees when practicable.

- Management ensure that physical security and storage of P&E inventory are improved.
- Management make tracking and accounting for P&E activity and events more efficient and adequate.
- Management ensure certain transactions and events are better documented.
- Management enhance efforts to facilitate proper and timely disposal of items that are due for disposal.
- Management provide appropriate independent verification and validation of P&E events and activities.
- Management ensure existing written procedures and policies are enhanced and updated for changes made to address certain control risks identified in the audit.

Fifteen action plan steps were developed to address the identified issues. Management asserted that five of those 15 action plan steps were resolved during the period of the initial audit. Three of the remaining 10 action plan steps were due for completion as of September 30, 2011. The result of this follow-up engagement showed TPD initiated and completed or resolved each of the eight (the five asserted resolved during the initial audit and the three due) action plan steps, including taking appropriate steps to ensure:

- Access to P&E facilities and items are better controlled and managed (two steps).

- Items temporarily transferred from P&E facilities are promptly returned and/or properly documented (two steps).
- Incompatible duties and functions are properly segregated among employees where applicable.
- Independent verification and validation of P&E events and activities are performed (two steps).
- Property and evidence items are better protected from contamination.

Table 1 in this report provides details on those eight steps and completed actions.

We appreciate the cooperation and assistance provided by TPD staff during this follow up audit.

Scope, Objectives, and Methodology

We conducted this audit follow-up in accordance with the International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. Those standards require we plan and perform the audit follow-up to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit follow-up objectives.

Original Report #1116

The scope of report #1116 included a review of P&E operations and activities including various processes, procedures, and systems used by Tallahassee Police Department (TPD) in administering the Property and Evidence (P&E) functions. The audit covered P&E items on hand and related processes and controls in place at the time of our audit and during the period of September 2010 through March 2011. The objectives were to determine whether (1) complete and accurate records were properly maintained to account for property and evidence

items, (2) P&E activities were properly documented and supported, (3) P&E activities were conducted in accordance with controlling laws and policies and sound business practices, and (4) adequate and appropriate internal controls were established over the P&E function.

Report #1203

This is our first follow-up on action plan steps identified in audit report #1116. The purpose of this follow up is to report on the progress and status of efforts to complete action plan steps due for completion as of September 30, 2011. To determine the status of the action plan steps, we interviewed staff, made observations, and reviewed relevant documentation.

Background

The P&E function is responsible for the receipt, storage, safekeeping, release, and proper disposal of all property and evidence items found or seized by TPD. In accordance with TPD Property and Evidence Standard Operating Procedures Manual (PE 2), that responsibility involves maintaining security and accurate records for, and control over, all property and evidence items from the time of receipt until the time of release or disposal.

During the audit period, the P&E inventory was comprised of more than 99,000 individual property and evidence items. Inherently, the P&E function is a high risk operation. It involves receipt, protection, and accounting for items with significant value (e.g., jewelry and cash) and/or critical to ensure successful and appropriate prosecution of criminal events and actions. Many items are vulnerable to inappropriate use (e.g., firearms and drugs). It is essential that the integrity of property and evidence items be maintained. Accordingly, appropriate controls should be established and implemented to manage the associated risks of loss, theft, misuse, and physical decay and degradation of property and evidence items.

Previous Conditions and Current Status

In report #1116, we noted that, overall, TPD established and implemented adequate controls to ensure the integrity and protection of P&E items and to ensure those items are properly received, secured, tracked, and disposed. However, we identified risks that indicate the need for further improvement and enhancement of applicable processes and controls. Fifteen action plan steps

were developed to address the identified risks and audit recommendations. Three of those action plan steps were due for completion as of September 30, 2011. Management asserted that another five of the 15 action plans were resolved before the completion of our initial audit. As shown below in Table 1, our follow up review showed TPD has successfully completed or resolved all eight of those action plan steps.

**Table 1
Action Plan Steps from Audit Report #1116
Due as of September 30, 2011, and Current Status**

Action Plan Steps Due as of September 30, 2011	Current Status
Enhance access to and accountability of P&E inventory	
<ul style="list-style-type: none"> Property and Evidence staff will follow-up on all items that are temporarily checked out when the transferred item(s) are retained beyond the time limit or not returned as established by department policy. A documented explanation, with supervisory approval, of why the item(s) was (were) not returned will be required or chain of custody documentation updated to reflect additional transfer. 	<ul style="list-style-type: none"> ✓ Completed - In our initial audit, we identified instances where P&E staff did not timely follow up to track and determine the status of 264 items shown as temporarily transferred from P&E facilities (i.e., to other TPD staff and locations). We recommended TPD develop and implement procedures to track and follow up on items temporarily checked out from P&E facilities. During our follow up we found TPD established a process whereby P&E staff generate a monthly report of “checked out items” that have been outstanding for more than 30 days. Under that process, a notice is sent to the responsible TPD officer requesting return of the applicable item(s). If the item(s) is (are) not returned within 30 days of the first notification, a second notice is submitted to the applicable officer and his/her supervisor. If still not returned the TPD Administrative Services Bureau Director will be notified. Our review showed P&E is following this process. On November, 1, 2011, there were only five items that had been checked out for more than 30 days (i.e., periods ranging from 33 to 40 days). These items will be followed up on by P&E staff under the current process.

<ul style="list-style-type: none"> • Procedures were changed so that temporary access cards will not allow access to areas of TPD headquarters other than the outside perimeter and general access doors (i.e., not allow access to P&E facilities). 	<ul style="list-style-type: none"> ✓ Completed - In our initial audit we noted that, based our review of system access records, there appeared to have been one instance of unauthorized access to the P&E facility by a TPD officer. Further review showed this likely was an instance where the name on a temporary access card was not appropriately changed when the card was turned back in by that officer, and then the card subsequently reassigned to a P&E employee and reprogrammed to allow access to the P&E facility by that employee. To preclude future confusion and ensure authorized access, TPD revised its processes for temporary cards such that temporary access cards would no longer be programmed to allow access to the P&E facilities. Our follow up review showed no subsequent use of temporary cards to access the P&E facilities. Accordingly, this issue is considered resolved.
<ul style="list-style-type: none"> • Backup keys used to access P&E areas when the electronic security system is down are now secured in a safe location in the Administrative Services Bureau Director's office. 	<ul style="list-style-type: none"> ✓ Completed - We reported in our initial audit that two non-electronic keys (backup keys) used to access P&E facilities when the electronic access system is temporarily not working were maintained in an unlocked desk drawer within the main P&E facility. As reported, that circumstance increased the risk of (1) the keys not being accessible for use during after-hours emergency situations (when the building is locked) and (2) the keys being obtained and used inappropriately. We recommended that the backup keys be stored in a secured location external to the P&E main facility. During this follow up audit, we found (1) one backup key was stored in a safe vault inside the office of the Administrative Services Bureau Director and (2) a second backup key was maintained in the possession of the newly hired P&E supervisor. Those actions adequately addressed the identified risks.

<ul style="list-style-type: none"> • The status of all 264 items identified by the audit as being temporarily released for longer than 30 days was determined and appropriately documented. 	<ul style="list-style-type: none"> ✓ Completed - During our initial audit, we identified 264 items that were documented as temporarily transferred from P&E facilities to other TPD staff and locations for extended periods, with no record of their current status. As reported, 111 of those 264 items had been outstanding (temporarily transferred out) for periods exceeding one year. We recommended P&E staff obtain appropriate evidence of the status and/or disposition of those 264 items from the applicable external entities and update the tracking system accordingly. TPD responded this action was completed as of the date our initial audit report was released. To substantiate that asserted action, as part of our follow up review we judgmentally selected and determined/verified the status of 10 of those 264 items. We found: <ul style="list-style-type: none"> • Four items were returned and the status in the tracking system properly updated to reflect their return. • Documentation was provided and the tracking system updated to show the other six items were properly released to the State Attorney’s Office or to the claimant. (See NOTE below.) <p>Accordingly, we considered this action step completed.</p> <p>(NOTE: Evidence supporting the permanent transfer of three of these six items consisted of documented assertions from the respective TPD staff that the items were in fact turned over to the State Attorney’s Office or the claimants. In all future instances we recommend TPD obtain more appropriate evidence, such as standard property disposition forms signed by the party [State Attorney representative, claimant, etc.] to whom the items are permanently transferred.)</p>
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Ensure appropriate segregation of incompatible duties	
<ul style="list-style-type: none"> • P&E staff were instructed to always follow the requirements that two staff transport firearms no longer needed as evidence to the Leon County Sheriff’s Office (LCSO) for destruction. In addition, both TPD staff and LCSO staff will sign the transfer documents when firearms are delivered for destruction. 	<ul style="list-style-type: none"> ✓ Completed - During our initial audit, P&E staff acknowledged that in some instances firearms were transported to the LCSO (for disposal) by only one P&E employee. To help reduce the risk of unauthorized diversion of firearms for personal benefit, we recommended that two P&E employees transport firearms to the LCSO. We found during our follow up review that (1) two P&E employees now transport firearms to the LCSO, (2) the total number of firearms transferred are now being indicated on the transmittal memo, and (3) the transmittal memo is being signed by the two P&E employees as well as the Leon County Sheriff’s staff.
Improve physical security and safeguarding over P&E items	
<ul style="list-style-type: none"> • Preventative pest control services have been enhanced through additional treatment of outside access points and additional traps placed within P&E areas. 	<ul style="list-style-type: none"> ✓ Completed - During our initial audit, we determined that monthly preventive pest control services were not being used by TPD to help reduce the risk of contamination of property and evidence items. (Note: P&E staff did employ pest control practices but did not use routine preventive pest control services within the P&E facility). We recommended that the existing Citywide preventive pest control services (already being subscribed by TPD) be used to prevent contamination of property and evidence items. In response to our inquiry during this follow up review, the P&E staff and supervisor confirmed that P&E facilities are now being treated on a monthly basis by the contracted preventive pest control service provider.
Ensure accurate, correct, and appropriate processing of P&E activities and events	
<ul style="list-style-type: none"> • To facilitate the independent verification of funding received when items are disposed through a third-party auction company, all checks for sale proceeds will be submitted directly to the TPD Financial Management Office. 	<ul style="list-style-type: none"> ✓ Completed - In our initial audit we noted that checks received for the sale of items (not claimed and/or no longer needed for evidence) through a private auction company were sometimes submitted by the auction company directly to the P&E section.

	<p>Appropriate segregation of duties (good internal controls) provides that those checks be submitted to an office/section other than the P&E section that initiates the disposition and sale of the applicable items. During our follow up review, we found checks from the sale of items through the private auction company are now submitted directly to the TPD Office of Financial Management in accordance with good control practices.</p>
<ul style="list-style-type: none"> • Enhance accountability by implementing a procedure that requires payments received from the auction company by the Financial Management Office be verified for accuracy by the P&E supervisor. 	<p>✓ Completed - In our initial audit we noted that, contrary to good control practices, there was no reconciliation by appropriate independent staff to ensure proper amounts (sale proceeds) were received and deposited for P&E items submitted for auction. During our follow up review we found that appropriate P&E management now reconcile payments received (i.e., using a copy of the auction company check submitted to the TPD Office of Financial Management) to sale records and reports made available online (Internet) by the auction company.</p>

Table Legend:

- Issue to be addressed from the original audit.
- ✓ Issues addressed and resolved.

Conclusion

As described above, 15 action plan steps were established to address issues identified in audit report #1116. TPD management asserted that five of those steps were completed during the period of our initial audit. Another three of the 15 action plan steps were due for completion as of September 30, 2011. As shown in Table 1 above, each of those eight action plan steps has been successfully completed or resolved. The remaining seven action plan steps are due to be completed in the future and include:

- Configuring TPD Records Management Systems to provide administrative reports that will allow for tracking of P&E items temporarily transferred from P&E control.
- Installing a security surveillance camera to monitor the vault when it is opened.
- Completing a master facility review that, among other things, addresses more storage space for P&E inventory.
- Completing the convergence of the two separate inventory management systems.
- Developing an interagency procedure that would require the Leon County Sheriff's Office to send copies of signed cover memoranda and attached listings of firearms directly to the TPD Director of Administrative Services.

- Establishing procedures that require the TPD Office of Professional Services to sample PD139 records from the TPD Record Management Division for use in the verification of proper recording of received P&E items.
- Revising existing written policies and unit standard operating procedures to reflect changes in policy and processes made as a result of the audit.

We appreciate the cooperation and assistance provided by TPD staff during this follow up audit.

Appointed Official's Response

City Manager:

I am pleased with the thoroughness of the audit follow-up for the Police Department's Property and Evidence Unit. The fact that Police Department staff very quickly addressed the initial findings indicates this audit is being taken seriously and that the department is committed to ensuring appropriate security controls are in place. It also reflects recognition of the risks associated with receiving, storing, and retrieving criminal evidence. I'm confident the remaining action items will be completed in a thorough and timely manner.

Copies of this audit follow-up #1203 or audit report #1116 may be obtained from the City Auditor's website (<http://talgov.com/auditing/index.cfm>) or via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (Office of the City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (auditors@talgov.com).

Audit follow-up conducted by:

Reuben Iyamu, Senior Auditor
 T. Bert Fletcher, CPA, Sr. Audit Manager
 Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP, City Auditor