Audit #18-08:

Sarasota Police Department Property and Evidence

Detailed Audit Report

Office of the City Auditor and Clerk
Internal Audit

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Audit Purpose and Scope

This audit was undertaken to ensure that items located in property and evidence are properly recorded and safeguarded according to established standards. The completion of an independent internal audit of property and evidence was included in the 2016 City Risk Assessment.

The time period reviewed during the audit was February 1, 2017 to January 31, 2018.

Report Content and Limitation of Use

This executive summary is limited in detail. To obtain the full background on a particular item, please contact Internal Audit and review the details prior to drawing conclusions based upon the limited information contained in this summary. Objective ratings indicate the levels at which the objectives were met.

Audit Conclusions

The results of our review indicate that controls over the recording and accounting of items in property and evidence storage were generally satisfactory with the exceptions of the currency being held in evidence, access on weekends and property and evidence reporting software reliability.

Physical security controls were generally adequate for the safeguarding of items placed within the property and evidence unit.

Compliance with state and internal standards was generally achieved. For a complete list of audit items, see pages 10-11 of this report.

This audit focused on the following objectives:

Audit Objective	Objective Rating		
1.) Determine whether controls were in place and functioning as intended to provide reasonable assurance that items of property and evidence were properly accounted for and recorded;		X	
2.) Determine whether physical security controls were adequate for the safeguarding of items placed within the Property and Evidence Unit; and		X	
3.) Determine whether the department was in compliance with both internal policies and state accreditation standards related to property and evidence.	X		

Green – A green control rating indicated that the controls reviewed at the time of the audit indicated a satisfactory or acceptable state of control, where risk appears to be minimized and appropriately managed.
Yellow – A yellow control rating denotes opportunities for improvement exist relating to the controls reviewed.
Red – A red control rating denotes significant risk or exposure to the City that requires immediate attention and remediation efforts.

Background and Introduction

The Sarasota Police Department's (SPD) Property and Evidence Unit is the central repository for all items obtained by personnel during the course of police operations. Property and Evidence storage areas are maintained within the SPD. Certain SPD security related aspects of the audit are not included within this report.

The Property and Evidence Unit has the sole responsibility for receiving, logging, maintaining, and disposing of all items that enter its custody. Items received and maintained by the unit include high-security items, such as weapons, narcotics, jewelry and money; large items, such as bicycles and cars; perishable and biohazard materials, such as DNA samples and blood; homicide and sexual assault evidence; and other items of a more general nature including found property.

Property and Evidence Unit acceptance window

The unit is also responsible for tracking the official chain of custody for each item (which is critical to proving the validity of evidence in trials) and maintaining accurate records of inventory. For this purpose, employees in the Property and Evidence Unit track each item's history, including current location, custodian, and times/dates of movements in the unit's ICAD or NewWorld system (property database and bar coding computer system). Items can only be checked in and out of storage by employees of the Property and Evidence Unit for specific allowable purposes, such as evidence processing or court appearances.

On January 22, 2014, SPD contracted with New World Systems to implement new software throughout SPD. The software provides integrated modules for various public safety functions including records, reports, alarm tracking and billing, property and evidence, and case management. Beginning July 20, 2015, new property and evidence obtained by SPD is logged and tracked with New World Systems software. Older property and evidence items, including disposed items, are currently still being tracked in ICAD, and will be maintained in ICAD until they are transferred into New World Systems. The Property and Evidence manager advised it is planned to import all the ICAD items on hand into the New World systems software for tracking. Both software systems will be required until the transfer is completed.

Items obtained by the Property and Evidence Unit have varying dispositions depending on the manner in which they were obtained or the type of case associated with the item. Dispositions of items in storage include: "found", "safekeeping", "evidence", etc. Items, depending upon type and disposition, are released or disposed of in different ways. Where some items are ultimately retrieved by an owner or a finder, others might be converted to department use where needed, or destroyed in a manner appropriate to the item type (i.e., guns are shredded and drugs are burned).

There are three full-time positions within the Property and Evidence Unit, which consist of one Property Manager and two Property and Evidence Specialists. Please see page eleven of this report for additional issues regarding ICAD and NewWorld software during this audit.

Audit Purpose and Scope

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The time period reviewed during the audit was February 1, 2017 to January 31, 2018.

Audit Objectives

The audit focused on the following objectives:

1) Determine whether controls were in place and functioning as intended to provide reasonable assurance that items of property and evidence were properly accounted for and recorded;

2) Determine whether physical security controls were adequate for the safeguarding of items placed within the Property and Evidence Unit; and

3) Determine whether the department was in compliance with both internal policies and state accreditation standards related to property and evidence.

Audit Standards

The auditors conducted this audit in conformance 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 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 findings and conclusions based on the audit objectives.

Testing Methodology

In order to fulfill the audit objectives, Internal Audit:

- Interviewed appropriate SPD personnel;

- Performed several site visits of the property and evidence storage areas;

- Observed physical security in place in and around the property and evidence storage areas;

- Conducted an inspection of items utilizing both system-to-shelf and shelf-to-system testing of items to determine whether items were located in the indicated areas and recorded appropriately both in the ICAD property system and NewWorld system;

- Reviewed supporting documentation for a random sample of property items with dispositions including "released", "destroyed", and "converted to department use";

- Conducted additional risk based custom queries from the data dump identifying other Property and Evidence Unit items for additional testing.

- Reviewed and evaluated SPD's Standard Operating Procedure 731.00 relating to Property Control, and General Order 733.00 related to the Property and Evidence Unit;

- Compared best practices and accreditation standards to actual SPD practices; and

- Reviewed system-generated biometric access logs and individuals with entry rights to the property storage areas.

To achieve the audit objectives, sampling techniques were utilized to select a random testing sample of property and evidence items from a population of unique property items on hand during the audit period. The auditor's sample was stratified by item type, with an emphasis on high-security items such as weapons, narcotics and money; high-security items made up a much larger percentage of the sample size than general items.

Audit Criteria

Conditions observed during audit fieldwork were evaluated against the following sources:

- Commission for Florida Law Enforcement Accreditation, Inc. (CFLEA) Standards Manual (Edition 5.05 dated November 2017),

- SPD Standard Operating Procedures (SOP) and General Orders (GO):

    o SOP 731.00- Property Control (last revised November 13, 2017), and
    o GO 733.00- Property and Evidence Unit (last revised November 13, 2017)

- International Association for Property and Evidence (IAPE) Standards- Best Practices (Version 2.6/Rev August 11, 2016), and

- Property & Evidence Association of Florida, By-Laws (Revised October 23, 2017).

Noteworthy Accomplishments

In 2017 100% of found/recovered property and evidence was inventoried by the SPD Accreditation Manger and Property and Evidence employees. Additionally, the division continued using the SPD accreditation manager to perform regular audits of the property and evidence rooms. The accreditation manger would select a sample of items for testing to locate each week and provide any observations or recommendations for improvements.

During 2017 the division began actively reviewing and researching property and evidence that have meet the retention/destruction period or no longer have evidentiary value and began destroying them in accordance with SOP 731[3].

Observations and recommendations in this report are offered as independent guidance to management for their consideration in strengthening controls. A complete list of Internal Audit's observations and recommendations begins on page 10 of this report. For information on priority levels assigned to audit recommendations, please see Exhibit A.

Internal Audit determined through fieldwork and testing:

CONTROLS OVER THE RECORDING AND ACCOUNTING OF ITEMS IN PROPERTY AND EVIDENCE STORAGE WERE GENERALLY SATISFACTORY WITH TWO EXCEPTIONS NOTED BELOW.

Controls tested were in place and functioning as intended to appropriately account for and record items maintained by SPD's Property and Evidence Unit.

- **System-to-Shelf Testing** – The auditor randomly selected 68 items[1] from the ICAD and NewWorld computer system, noted the item description and expected location of each item and physically visited each location to ensure each item was stored where the system indicated. Of the 68 randomly selected items in the auditor's sample, the auditor was able to physically locate all items. For the currency items, amounts noted on sealed evidence envelopes were compared to amounts recorded in the software. All cash in the auditor's sample was accounted for.

- **Shelf-to-System Testing** – The auditor randomly selected 16 items[2] stored on shelves and in bins and noted the current location of each. The auditor then reviewed the ICAD or NewWorld property system to determine whether the system appropriately reflected each item's actual location. Of the 16 randomly selected items in the auditor's sample, the ICAD or NewWorld property system had accurate locations recorded for all of the items.

- **Proper Audit Trail / Documentation** – Internal Audit reviewed documentation for selected items with dispositions including "released", "destroyed", and "converted to department use" to ensure that the dispositions were appropriately recorded and the items accounted for. Completed final disposition documentation was noted for each tested item.

- **Drug and Weapon Destruction Documentation** – Destruction documentation for weapons and narcotics during the audit period was reviewed. Items are identified and packaged for destruction by location in the ICAD or NewWorld software system, and later sent for destruction[3]. Appropriate signed destruction approvals, signed notarized return orders for drug items, and signed and witnessed weapon disposal forms were noted for each of the tested items.

- **Money** - Cash on hand is currently in locked cabinets or a locked safe, however during the workday hours cabinets are unlocked so that staff can perform their daily duties. At any given time, there are more than three employees in the property and evidence area that all have access to the cash. To mitigate the inherent risks associated with cash it should be stored in a locked safe location or deposited into a bank account. By removing the cash altogether from the property and evidence room as quickly as possible SPD mitigates the risk of cash being misplaced or the possibility of theft.

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[1] 100% of the system-to-shelf sample was comprised of high-security items.
[2] 100% of the shelf-to-system sample was comprised of high-security items.
[3] Internal Audit reviewed destruction process procedures (SOP 731.00) and did not note any weaknesses with internal controls.

As noted in International Association for Property and Evidence (IAPE) **Standard 10.3: Money – Documentation of Movement Standard**: Money should be deposited or transferred out of the property room as soon as practical once it no longer has evidentiary value.

- **ICAD Data Dump Reliability –** Of the 30,258 property and evidence items included in NewWorld there were items included twice or items that were for records management. Items solely for records management are not maintained by the property and evidence department. The only way to identify the duplicates or items that are records is to individually look at each of the 30,258 NewWorld items in the software to determine their actual location. These issues with duplicate property and evidence items did not allow the auditor to get an accurate total for items actually held in property and evidence. Additionally, NewWorld currently does not have the ability the capture the total dollar amount of currency held by the division. It should be noted that all of the property and evidence items selected in the auditor's sample were located in the areas as identified for both the ICAD and NewWorld software.

    Best practices for property and evidence include report generation of property and evidence information that allows for accurate quantity of items on hand by type including total cash on hand.

PHYSICAL SECURITY CONTROLS WERE GENERALLY ADEQUATE FOR THE SAFEGUARDING OF ITEMS PLACED WITHIN THE PROPERTY AND EVIDENCE UNIT.

Property and Evidence shelving locks

We reviewed the physical security features and access controls of the Property and Evidence unit and determined they appeared adequate for the items and type of property on hand. Access logs are maintained and all personnel except for Property and Evidence unit staff are required to be signed in and out and escorted while in the unit. Audit was able to determine that unit access logs were reviewed by management.

Access on the weekends by a single working employee was identified as an increased risk. During the year there are times that an approved property and evidence employee will come into work on a weekend during a busy time or to make up hours from the week before. When these weekend shifts are performed there typically is no other employees in the property and evidence area. It is recommended that no one employee has sole access to the property and evidence room for entire shifts. If weekend shifts must be done there should be a minimum of two employees working in the property and evidence area.

COMPLIANCE WITH STATE AND INTERNAL STANDARDS WAS GENERALLY ACHIEVED.

For areas tested by Internal Audit, it was determined that SPD was generally in compliance with the state's property and evidence accreditation standards and SPD's own internal General Orders.

- **Commission for Florida Law Enforcement Accreditation, Inc. (CFLEA) Standards –** The auditor determined that compliance was generally achieved for standards tested relating to Property and Evidence.
- **SPD Internal Standard Operating Procedure 731.00 -** Based on test results for the auditor's sample, compliance was generally achieved for the standards tested in the internal property policy.

Audit Conclusions

SPD has designed and implemented controls over the property and evidence department that are generally effective. However, items were identified above that can reduce the effectiveness of those internal controls. While none of the observations identified or indicated potential fraudulent activity, it is important that SPD take steps to reduce identified risks and mitigate exposure to misplacement, theft or recording errors in items included in property and evidence.

SPD's property and evidence department has made various improvements over internal controls, physical security and compliance with operating procedures over the last years. Members of the department continue to attend training and obtain certifications in their respective fields along with actively seeking outside input for opportunities to improve their operations.

We would like to thank the Property and Evidence Division along with the multiple other SPD divisions that provided their time and assistance during the audit.

#	Subject	Priority	Observation	Recommendation	Concur Yes/No	Management Response	Committed Action Item Due Date
1	Currency Maintained in Evidence	High	Currency on hand is currently in locked cabinets, however during the workday hours cabinets are unlocked so that staff can perform their daily duties.	Currency should be in a locked location at all times, including during workday hours. One option is to deposit all currency received by the Property and Evidence into SPD bank accounts unless there are evidentiary or other reasons to maintain the original currency (IAPE Standard 10.3: Money – Documentation of Movement Standard). Another option is to keep all currency in a safe or have an additional lock that is only accessed by select staff or requires two individuals to gain access.	Yes	There are many safeguards already in place and the Police Department meets and/or exceeds accreditation standards. Currency is currently kept in a locked vault within the unit. Once inside the vault, the currency along with weapons and narcotics have a separate secure locking mechanism. This section is open during business hours and only Property and Evidence Specialists have access. Since the last audit currency has been limited to one row of drawers which is enough for the amount of currency kept in the vault. An additional separate locking mechanism will be added to access those drawers only when needed, and possession of the key will be limited to the Property and evidence Manager and a senior Property and evidence Specialist. The keys will be kept in the Unit at all times.	7/1/2018

#	Subject	Priority	Observation	Recommendation	Concur Yes/No	Management Response	Committed Action Item Due Date
2	Data Records	High	Based upon our audit procedures, the ICAD and NewWorld software reports of property and evidence items do not provide an accurate listing of all property and evidence currently in the custody of the property and evidence department.	The two software systems, at a minimum, should be able to provide an accurate count and description of all items maintained within the division. A process should be performed with the division's software vendors to determine the cause and solution for the inaccurate reports and determine if the current software is capable of properly accounting for items held in property and evidence.	Yes	Research other software programs and see what other agencies similar in size are using and how those systems work for them. We have already met with two software vendors and are contacting others. The current vendor "New World" is trying to accommodate the Police Departments needs but has been unsuccessful thus far.	On going
3	Access	High	Access on the weekends by a single working employee was identified as an increased risk. During the year there are times that an approved property and evidence employee will come into work on a weekend during a busy time or to make up hours from the week before. When these weekend shifts are performed there typically is no other employees in the property and evidence area.	It is recommended that no one employee has sole access to the property and evidence room for entire shifts. If weekend shifts must be done there should be a minimum of two employees working in the property and evidence area.	Yes	There are some instances that require employees to come in on the weekends or after hours, such as "call outs" for large amounts of currency, narcotics, or major cases where access to off site locations are needed. In these instances only one employee may be able to respond. If an employee needs to come in on a weekend advance notice will be given to the manager for approval and if possible, will also be present. At this time there are a total of 4 camera's that are focused on the Unit at all times. There is a camera at the entrance to the unit just off the elevator at the west end of the building, a camera inside the evidence intake and preparation room, a camera inside the Evidence viewing room, and a camera inside the main Property and Evidence Unit that covers the doors that come into the Unit.	Completed

Exhibit A: Audit Priority Classification System

Internal Audit utilizes the following classification scheme applicable to internal audit recommendations and the appropriate corrective actions:

Priority Level[1]	Description	Implementation Action[3]
High	Fraud or serious violations are being committed or have the potential to occur, security issues, significant financial or non-financial losses are occurring or have the potential to occur.[2]	Immediate
Medium	A potential for incurring moderate financial or equivalent non-financial losses exists.[2]	Within 60 days
Low	A low priority observation indicates that the controls reviewed at the time of the audit indicated a satisfactory or acceptable state of control however operation or administrative process may be improved if certain additional changes are implemented.	60 days to 6 months

[1] The City Auditor and Clerk is responsible for assigning internal audit recommendation priority level categories. A recommendation that clearly fits the description for more than one priority level will be assigned the higher priority level.

[2] For an audit recommendation to be considered related to a significant financial loss, it will usually be necessary for an actual loss of $25,000 or more to be involved, or for a potential loss (including unrealized revenue increases) of $50,000 to be involved. Equivalent non-financial losses would include, but not be limited to, omission or commission of acts on behalf of the City which would be likely to expose the City to adverse criticism in the eyes of its citizens.

[3] The implementation time frame indicated for each priority level is intended as a guideline for establishing target dates. Determining proposed action dates is the responsibility of the Charter Official(s) over the area(s) or function(s) audited.

NOTE: Please note that this exhibit is a standard form which appears in every audit and is meant to be utilized to aid management in understanding the seriousness or potential seriousness of an audit observation. A "High" or "Medium" priority rating assigned to an audit observation should not be construed to mean that fraud or wrongdoing is, in fact, occurring but rather fraud or wrongdoing has the potential to occur in the absence of adequate internal controls.