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February 17, 2015

Mark Scimone, County Administrator
Allen Riley, Sheriff
Members of the Board of Supervisors
Madison County
138 North Court Street
Wampsville, NY 13163

Report Number: S9-14-55

Dear Mr. Scimone, Sheriff Riley and Members of the Board of Supervisors:

The Office of the State Comptroller works to help local government officials manage their resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard assets.

In accordance with these goals, we conducted an audit of 10 municipalities (two counties, four cities, three towns and one village) throughout New York State. The objective of our audit was to determine if municipalities accounted for all property room inventory.¹ We included the County of Madison (County) in this audit. Within the scope of this audit, we examined the procedures of the County and various property records for the period January 1, 2012 through December 5, 2013. Following is a report of our audit of the County. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law.

This report of examination letter contains our findings and recommendations specific to the County. We discussed the findings and recommendations with County officials and considered their comments, which appear in Appendix A, in preparing this report. Except as specified in Appendix A, County officials generally agreed with our recommendations and indicated that they plan to initiate corrective action. Appendix B includes our comments on issues raised in the

¹ Property room inventory can include items the County Sheriff's Office receives or seizes, such as criminal case evidence, found property, property for safekeeping from a decedent or prisoner, property no longer needed as evidence for investigation, contraband, property pending release and property confiscated for forfeiture proceedings.

County's response. At the completion of our audit of the 10 municipalities, we prepared a global report that summarizes the significant issues we identified at all the municipalities audited.

Summary of Findings

We found that the County Sheriff's Office (Office) did not account for property room inventory adequately due to inaccurate records.

Of the 433 high-risk property items held by the Office that we tested, 218 items (50 percent) were not in the correct location, and 144 of these items (33 percent) were unaccounted for (missing from inventory) with no documentation to indicate their disposition. The missing items were comprised of 13 firearms, 14 drug items, four money items totaling over \$1,400 and other miscellaneous items, including ammunition, electronics, jewelry and a dirt bike.

The Office also did not maintain adequate documentation to support the disposal of items. Of 240 disposed items tested, 24 items (10 percent) did not contain proper documentation to support their final disposition as follows:

- Seven firearms listed as destroyed did not have proper documentation.
- Thirteen items listed as returned to owners, including a rifle, laptop computer, mobile phone and other miscellaneous items, did not have proper documentation that they were returned to the owners.
- Four items transferred to the laboratory (biological evidence) had no transfer paperwork documenting the transaction.

County officials attributed the discrepancies to taking over a property room in 2010 that was disorganized and operating on a paper-based system in which records were not updated accordingly. The Office has since implemented a computerized property room inventory system (system) as well as relabeled and restructured the layout of the property room, concentrating on firearms and then moving to other high-risk areas (i.e., drugs) as time permits. The Office also attributes the discrepancies to not retaining the necessary paperwork.

In addition, the Office could improve other control procedures to safeguard property room inventory. The Office granted administrative access rights to its system to four individuals: one who has access to the property room inventory, one who is a retired former deputy who was previously in charge of the property room, a County information technology employee who has remote access and one part-time Office employee who has administrative rights but no access to the computer terminal with the software program. No one monitored user activity on the system. Further, the Office has not performed physical inventories.

Background and Methodology

The County has a population of approximately 73,000 and is governed by a 19-member Board and a Chairman. The County provides services to residents through municipal operations, including the Sheriff's Office. The Office's 2013 budgeted operating appropriations were \$3.3 million of the County's \$100.6 million general fund budget.

The County Sheriff (Sheriff) is responsible for the general management of the Office, which includes overseeing property room inventory. The Sheriff is assisted by an evidence officer. In November 2013, the property room inventory contained about over 2,700 items.² The term “property room inventory” encompasses items in all locations used by the Office to hold and store non-Department property. This can include both on- and off-site areas such as storage sheds, garages and vehicle lots. Property includes seized items, found items or property held for safekeeping. For example, items include criminal case evidence, found property, property from a decedent or prisoner kept for safekeeping, property no longer needed as evidence for investigation, contraband, property pending release and property confiscated for forfeiture proceedings. Typical property found in the property room can include biohazard materials, drugs, firearms, jewelry, money, weapons, vehicles and other miscellaneous items. The Office should secure and maintain the integrity of police evidence and other property until disposition.

We interviewed Office staff and officials, examined physical inventory and disposal records and reviewed monitoring procedures to determine whether Office staff accounted for all property. We also traced Office inventory and disposal reports to source documents and physical inventory, as appropriate, to ensure the accuracy of current inventory and disposals.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). Such standards require that we plan and conduct our audit to adequately assess those operations within our audit scope. Further, those standards require that we understand the management controls and those laws, rules and regulations that are relevant to the operations included in our scope. We believe that our audit provides a reasonable basis for the findings, conclusions and recommendations contained in this report. More information on such standards and the methodology used in performing this audit is included in Appendix C of this report.

Audit Results

Police departments should ensure that items held in the property room are properly accounted for by establishing good internal controls and maintaining accurate records. Good internal controls include written policies and detailed procedures that task designated personnel with executing specific actions consistently. Good property room management practices require documentation of when property came in, who checked it in, where it was located, when it was moved, where it was stored and by whom, when it was signed out, when it came back and how it was disposed of. Additional security measures in the property room may include the use of a safe, a chain to secure firearms and the installation of a floor-to-ceiling chain link fence. Lastly, police departments should conduct routine and unannounced inspections of the property room ensuring adherence to appropriate policies and procedures along with annual audits of the property room to compare physical inventory counts to the records of items maintained.

We found that while the Office has established policy guidelines and procedures, they are deficient. For example, administrative access rights to the system were not granted to officials based on their job duties and responsibilities. In addition, no one in the Office monitored user activity on the system. Specifically, the application administrator has access to items in the property room as well as administrative rights to the system, which allows for the potential to change the inventory records. In addition, three other users had administrative access rights, including a retired deputy

² In addition, the Office maintains a logbook for items prior to 2007. These items are not included in the total of inventory items. However, a sample of these items was chosen for testing.

who was previously in charge of the property room, a County information technology employee who has remote access and one part-time Office employee who has administrative rights but no access to the computer terminal with the software program. Lastly, the Office's inventory records were inaccurate. Because of the deficient procedures and inaccurate records, the Office could not account for items missing from its property room.

Property Evidence

The Office can hold property in the property room for extended periods. Officials should accurately track and record the movement of property items to safeguard them and preserve the chain of custody. Typically, an item is received in the property room; stored in location; moved to and from the laboratory, the court and for investigative review; and moved to disposal. Policy guidance should be established and implemented to protect items from the loss of evidentiary value by outlining methods of documenting³ and packaging items based on the needs and storage requirements of the laboratory used. Officials should also establish physical inventory procedures to identify missing or misplaced items.

The Office's established procedures have the officer receiving the property record information on an evidence receipt. Once the officer packages the evidence, the Office requires the officer to initial and date the bag's seal. The system then generates a label with a unique bar code, which is placed on the sealed evidence bag. The Office requires evidence to be placed in large, locked, temporary evidence lockers located on-site or turned over to the evidence officer. The evidence officer removes the items from the temporary lockers, enters information in the system and places the item in a designated location in the property room.

The Office does not have a specific policy that addresses transfers to laboratories and to court.

A deficient Office procedure resulted in the application administrator having access to items in the property room as well as administrative rights to the system, allowing for the potential to change the inventory records. In addition, three other users had administrative access rights, including a retired deputy who was previously in charge of the property room, a County information technology employee who has remote access and one part-time Office employee who has administrative rights but no access to the computer terminal with the software program. An individual with both access to the property room and administrative rights to the computer system could create an opportunity for property to be misused, misplaced or stolen without detection.

We reviewed the list of currently stored property room items and judgmentally selected a sample of 433 high-risk items⁴ (141 firearms, 25 drug items, two money items and 265 other items⁵). We examined the computer records to determine whether the property was adequately described, intact and stored in the designated location. Of the 433 items tested, 218 (50 percent) were not accurately recorded, and of these, 144 items were unaccounted for (missing from their property room location) during our audit fieldwork. Specifically:

³ Each item should have an identifier (tracking number), which corresponds to item descriptions, the individual(s) involved in the case and the location/movement information necessary to track the chain of custody.

⁴ See Appendix C, Audit Methodology and Standards, for detail on our selection of test samples.

⁵ Other items include found items, vehicles, jewelry, electronics, drugs and biological items.

- Of the 141 firearms tested, 51 (36 percent) were not stored in the location indicated by inventory records. Ten firearms were missing from inventory. Seven of the missing firearms had supporting documentation that they were transferred to a gun dealer; however, the evidence officer was unable to provide supporting documentation that the Office authorized the transfer to the dealer.
- Of the 25 drug items tested, four items were not stored in the location indicated by inventory records. However, the evidence officer was able to account for items providing supporting documentation indicating the items were destroyed.
- Of the two money items tested, no discrepancies were found.
- Of the 265 other items reviewed, 163 items (62 percent) were not stored in the location indicated by inventory records, including 134 missing items. The evidence officer was unable to account for any of the 134 missing items, specifically:
 - Two ammunition items,
 - Three air (BB) guns,
 - Fourteen drug items,
 - Three electronics items,
 - Three firearms,
 - Three jewelry items,
 - Four money items totaling over \$1,400,
 - A dirt bike, and
 - Ninety-eight other items (miscellaneous).

Office officials attributed the inaccurate records and missing inventory to taking over a property room in 2010 that was disorganized and operating on a paper-based system in which records were not updated accordingly. The Office has since implemented a computerized system as well as relabeled and restructured the layout of the property room, concentrating on firearms and then moving to other high-risk areas (e.g., drugs) as time permits. The Office also attributes the discrepancies to not retaining the necessary paperwork.

Inadequate controls and inaccurate inventory records over items in the property room increase the risk that property could be misplaced, misused or stolen without timely detection.

Property Disposal

The disposition of property should be documented in written policies and procedures to guide the operation of item handling. Items returned to the owner, transferred or destroyed are all considered property room disposals. Recycling, burning or any other method to make an item unusable could be used to destroy an item properly. High profile items, such as drugs, firearms and money, require

extra internal controls. The disposal of items should be documented with a clear trail in Office records. Further, good business practice requires that items should be removed from the property room after being held for the required length of time. If the Office has identified an owner or determined that the item has no evidentiary value, then it should be disposed of properly and promptly. It is in the Office's best interest to remove items from the property room as quickly as possible to free up space and remove the risk of theft or misuse. Records should indicate the details about the case, individuals involved, authorization for disposal, who destroyed the item (if it was destroyed), who witnessed the item being destroyed and other details required by the Office.

The Office has not established procedures for disposing of property.

We reviewed a list of disposed inventory, totaling 3,904 items,⁶ and judgmentally selected a sample of 240 high-risk items, including money, biohazard items, drug items, firearms and electronics. These items were disposed of by being destroyed, returned to their owner, transferred to the laboratory or court, or retained for Office use. We reviewed the computer records to determine whether the items' disposal was documented adequately. Of the 240 items tested, 24 items (10 percent) were not documented adequately.

Destruction – Our test of 240 items included 30 firearms. The Office utilizes a private vendor for the destruction of firearms. The Office did not dispose of any drugs during our audit period.

- The Office process for the destruction of firearms includes the evidence officer contacting the District Attorney's office to get approval for the items to be destroyed. Upon receiving a disposition notification from the District Attorney, photos of the items to be destroyed are taken and stored on a memory card. Firearms and drugs are then transported to the vendor site and destroyed with two officers as witnesses. Items other than firearms and drugs are taken to the landfill and disposed. No destruction receipts or signatures are obtained from the vendor.

Of the 30 firearms selected for testing, seven (23 percent) had no documentation indicating that the items were destroyed.

Returned to Owner – Of the 167 items reviewed, Office officials had adequate documentation for 154 items returned to their owners. The Office was unable to provide any documentation supporting the return of the other 13 items to their owners (i.e., rifle, laptop computer, mobile phone and other miscellaneous items).

Retained for Office Use and Transfers to Court – Of the 20 items reviewed, Office officials had adequate documentation for all transactions as items were signed in and out by detectives.

Transfers to Laboratory – Of the 23 items reviewed, Office officials had adequate documentation for 19 items by providing laboratory transfer paperwork detailing the transaction. The remaining four items (biological evidence), had no documentation.

Good policies and procedures for the acquisition, storage and disposition of property items promote efficient use of property room space for easier access and keep handling to a minimum.

⁶ The disposal report included disposed items along with items slated for destruction.

Conversely, poor procedures (including a lack of oversight and monitoring) and inaccurate records of the items stored in a property room increase the risk that property could potentially be unavailable for legal proceedings, or that firearms, drugs and highly valuable items could be lost, stolen, misused, or could pose a danger to public safety.

Recommendations

Office officials should:

1. Review and update property room policies and procedures annually.
2. Monitor the activity in the property room, including the assignment of physical inventory testing to an individual who does not retain item custody.
3. Conduct routine and unannounced inspections of the property room ensuring adherence to appropriate policies and procedures along with annual audits of the property room to compare physical inventory counts to the records of items maintained.
4. Assign software user access based on job duties and responsibilities. In addition, if the Office cannot appropriately segregate the duties of custody and recordkeeping, someone without physical access to the inventory items should monitor user activity and the changes made on the system.
5. Review and update the drug and firearm destruction policy to ensure that the evidence officer prepares and retains detailed records identifying the items being destroyed. This documentation should include either the signature of the command level officer present during destruction or the signature of an independent third party who can attest to the destruction.
6. Continue to improve the inventory tracking and disposal process by clearly documenting property movement to provide an audit trail.
7. Develop a policy and procedure outlining the Office's disposal process.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and forwarded to our office within 90 days, pursuant to Section 35 of the General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The Board should make the CAP available for public review in the Clerk's office.

We thank the officials and staff of Madison County for the courtesies and cooperation extended to our auditors during this audit.

Sincerely,

Gabriel F. Deyo

APPENDIX A

RESPONSE FROM COUNTY OFFICIALS

The County officials' response to this audit can be found on the following pages.



Office of the Sheriff County of Madison



Allen Riley, Sheriff

John E. Ball, Undersheriff

August 12, 2014

[REDACTED]
Local Government and School Accountability
Office of the State Comptroller
110 State Street
Albany, New York 12236

Re: Office of the Madison County Sheriff Audit Response – Report S9-14-55

Dear [REDACTED]:

As discussed during the exit discussion held on July 16, 2014 regarding the above audit report, this Office submits this response. A detailed corrective action plan will be formulated and submitted at a later date, as discussed.

Background

The OSC audit was performed onsite at the Madison County Sheriff’s Office in February 2014. Representatives worked with our evidence custodian throughout the audit. A list of findings and recommendations were prepared by the auditors, and were formally discussed during the exit meeting held on July 16, 2014.

History

Effective January 1, 2010, I was sworn in as Sheriff of Madison County. This Office has one full time Deputy Sheriff with expanded evidence/property management training assigned to the key custodian’s position, with the assistance of one part-time Deputy Sheriff also well trained in evidence and property management. The part-time position was added in mid-2013, on the heels of this new full time Deputy Sheriff taking over the assignment as lead evidence/property custodian, replacing a retiring Deputy Sheriff who held the position for a number of years, and prior to my election and assumption of the Office of Sheriff. During the same time period, a complete overhaul of supervisory and command staff of the Criminal Division took place, including identification and promotion of a new Division Captain, to address issues that were present upon the start of my administration. Numerous procedures and protocols were either revised and reissued, or were created as a majority did not exist. The evidence and property management function of the Criminal Division was no exception.

ACCOUNTABILITY

INTEGRITY

PROFESSIONALISM

Summary of Changes Relating Specifically to Evidence/Property Functions

A brief outline of changes implemented between January 1, 2010 and December 31, 2013:

- Intensive review of property and evidence assigned to the evidence custodian, including numerous items in impound yard and collected/stored in the evidence building. Numerous cases had either little or no case paperwork and were aged cases, some as old as 12 years. A concentrated effort to clean these matters up commenced in mid 2010 and continues to the present.
- Upon accepting the retirement of the legacy Deputy Sheriff who was assigned as lead evidence/property custodian, a replacement was identified from within, who had the qualifications and certifications as evidence technician and one that was entrusted with this critical role. Up until mid-2013, one full time Deputy was responsible for the entire operation, when this Office hired a retired NYS Trooper with a distinguished career as an expert in all matters relating to firearms.
- In 2012 and into 2013, a complete overhaul of the evidence building took place, including a top to bottom inventory of items between the outgoing and incoming custodians. Numerous issues presented themselves during this transition, and some of the ongoing matters appear in the audit report by your Office.
- The building underwent a comprehensive physical update, to include procurement and installation of appropriate shelving, identification by section of those shelves, a retooled inventory system that included paper documentation in addition to a commencing a comprehensive review and update of the computerized evidence and property management database (BackTrak). As part of this project, weapon storage and accountability measures were completely revised, including installation of an interior “vault” in the evidence/property building to safely store these items, as well as logically inventorying and identifying specific locations.
- The Criminal Division Captain, in concert with the lead evidence custodian, Sheriff’s Office command staff and the District Attorney’s Office, revised all forms associated with property and evidence management and accountability, in the creation of new chain of custody forms, photo evidence forms, etc. including adding additional secured large lockers for evidence to be retained in until the evidence custodian took physical possession of those items and adding them into his automated inventory system and placing them in the appropriate locations of the evidence/property building.
- In late 2013 and continuing to this writing, the County has entered into an agreement with a third party vendor for a comprehensive CAD and RMS (record management system). As a user agency, the RMS portion contains significant advancements in totality of records management, and includes a robust evidence and property module that will be tied into the chain of records, and all evidence/property associated with any case that produces it.

Summary of Findings (audit report)

The report “Summary of Findings” section detailed a number of items tested during the field visit. In opening, the section reads “We found that that County Sheriff Department (Department) did not account for property-room inventory adequately due to inaccurate records.” While, in principle, this statement is agreed with, the agreement is based on the fact that, even though the property was in the possession of the Sheriff’s Office, the physical location was not properly identified in the computerized evidence and property management database. The section continues by identifying “...and 154 items, or 36 percent, were unaccounted for (missing from inventory) with no documentation to indicate their disposition.” Again, this statement is agreed with, the agreement is based on the fact that, even though the property was in the possession of the Sheriff’s Office, the physical location was not properly identified in the computerized evidence and property management database. The items were not missing or unaccounted for, but mislabeled in the computerized system as to specific location. Additionally, the summary section details the following points:

See
Note 1
Page 16

- Seven firearms listed as destroyed did not have proper documentation.

This statement is inaccurate. The seven weapons identified were not in the assigned location (per the computerized database). The weapons were properly safeguarded by the evidence custodian, and were located in the “to be destroyed” bin in the evidence/property building. The weapons in question were long guns; this Office had them in possession for a period of over one (1) year and exhausted all means of finding the owner(s). The firearms were declared “nuisance weapons” in accordance with Penal Law 400.05 and destroyed by court order.

See
Note 2
Page 16

- 13 items listed as returned to owners, including a rifle, laptop computer, mobile phone and other miscellaneous items, did not have proper documentation that they were returned to the owner.

This statement is somewhat accurate. Based on the nature of the case, retention periods lapsed and the case was closed. These cases originated during the time period leading up to 2009, and were beyond control of those members currently working in these assignments. Moving forward (and has been the case since your visit), case files will remain “open”, regardless of age, until such time all property/evidence is fully and properly documented with disposition of those items.

- Four items transferred to the lab (biological evidence) had no transfer paperwork documenting the transaction.

This statement is accurate. The item location (out to lab) was not updated on the property receipt, but mail records indicated the item(s) being mailed.

This has been addressed and corrected at the time of your visit. Property receipts are all clearly marked in the chain of custody when the item(s) are sent “out to lab.”

- In addition, the Department could improve other control procedures to safeguard property room inventory.....

During the field visit, a discrepancy on the computerized database was identified showing a former employee still having rights to the database. That was immediately corrected at the time and that individual was removed. Note that the same former employee did not have access to the building. At the same time, the computerized database was administratively updated to reflect only the current employees that require access to the system only have the required level of access. In addition, the actual computer that houses the program has been removed from the County network and is a stand-alone system, with local backups performed by the lead evidence custodian. Physical inventories have since been conducted on miscellaneous property, weapons and monies. The physical inventory of drug items is currently underway and is over 50% complete.

- Destruction – our test of 240 items included 30 firearms. The Department utilizes a private vendor for the destruction of firearms...Of the 30 firearms selected for testing, seven (23 percent) had no documentation indicating that the items were destroyed.”

This statement is not accurate. As was discussed in detail during the field visit, the steps taken by the evidence custodian, including identification of each weapon slated for destruction being listed on a property chain of custody form, bundled in groups of ten (10) – (one bundle per property chain of custody form), the bundles photo-documented, and then sent into the furnace for destruction. The vendor will not sign any documentation attesting to the items being destroyed for liability purposes, as was discussed. Since the audit, in addition to the bundles being photographed (with the bundle ID tag visible), additional images of each firearm will be taken as the bundles are entering the furnace.

See Note 2 Page 16

Property Evidence (Page 5 of audit report):

- “...Of the 433 items tested, 218 (50 percent) were not accurately recorded, and of these, 154 items were unaccounted for (missing from their property room location) during our audit fieldwork. Specifically:”

Of the 141 firearms tested, 51 (36 percent) were not stored in the location indicated by inventory records. The evidence officer was unable to account for 17 firearms missing from inventory.

This statement is not accurate. The 17 firearms in question were in physical custody and safeguarded. The property/chain of custody form was accurate and updated, but the actual location in the computer database was not updated to reflect the current location, or “checked out” to be closed in the system. Full accountability was never diminished. Attached to this response is paperwork detailing these 17 firearms.

See
Note 3
Page 16

Of the 25 drug items tested, four items were not stored in the location indicated by inventory records. The evidence officer was unable to account for three items (a door latch, an arm rest, and several clear plastic baggies with the green leafy substance residue.)

See
Note 4
Page 16

This statement is somewhat accurate. Items were not in the location as identified in the computer system. Paperwork on the cases could not be located during the field audit (refer to earlier statement regarding case retention). Since the audit, paperwork was located and all items have since been properly destroyed, documented on the chain of custody, and the cases closed out of the computer system. Copies of that documentation is contained as an attachment to this response.

Of the 25 other items reviewed, 163 items (63 percent) were not stored in the location indicated by inventory records. The evidence officer was unable to account for 134 missing items,

This statement is somewhat accurate. The two ammunition items, three air (BB) guns, fourteen drug items, three electronic items, three firearms and three jewelry items were listed in the computer database, but did not have proper/updated dispositions and the cases remained open in the system.

The four money items totaling over \$1,400. The actual amount is \$1,445. This was accurately recorded but paperwork on the case could not be produced at the time of the field audit. That paperwork is attached this response.

See
Note 5
Page 16

Dirt bike: the property was still listed as open in the computer database, but was destroyed with proper documentation provided. The item was updated and closed in the database.

See
Note 6
Page 16

Ninety eight other items (miscellaneous): all were still showing as open in the computer database, but accurate disposition and updating the case to “closed” was not done. This has since been corrected.

In closing, the recommendations discussed during the field audit and subsequent exit discussion are already being addressed and in various stages of completion. A formal and detailed corrective action plan will be submitted in accordance with the established time period allowed. If you have any questions or need additional information, please contact Captain Eric Ali or myself at (315) 366-2318.

Very Truly Yours,

Allen Riley
Madison County Sheriff

APPENDIX B

OSC COMMENTS ON THE COUNTY'S RESPONSE

Note 1

We have amended the numbers cited by the Sheriff in our final report. He said that our draft report had 154 items that were unaccounted for (missing from inventory), or 36 percent of the items tested. However, due to additional information, the final report was adjusted downward to 144 items that were unaccounted for (missing from inventory), or 33 percent of the items tested.

Note 2

The Sheriff discussed the location and custody of the seven firearms in his response letter. However, our report finding (summarized on page 2 and discussed in detail on page 6) stated that the Office had no documentation to support the destruction of the firearms. The weapons were not presented to us, nor did the response provide any additional documentation to support their disposal or destruction.

Note 3

Subsequent to the completion of our audit, the Office provided additional supporting documentation for seven of the 17 firearms tested and we amended the final report to reflect the updated information. Specifically, supporting documentation was provided showing that seven firearms were returned to owners.

In addition, the County's audit response letter provided a weapon inventory report that indicated that seven other firearms were sold at auction per court ordered release; however, a copy of the court order was not provided. Lastly, no additional supporting documentation was provided for the three remaining missing firearms.

Note 4

Subsequent to the completion of our audit, the Office provided additional supporting documentation for the destruction of drug items tested. We have updated our report accordingly.

Note 5

The County's audit response letter provided a chain of custody property receipt indicating money items were turned over to an individual at the County District Attorney's Office. However, a corresponding signed receipt provided from the County District Attorney's Office detailing a list of multiple items received from the Office does not list the money items.

Note 6

No additional supporting documentation was provided attesting that the dirt bike was destroyed.

APPENDIX C

AUDIT METHODOLOGY AND STANDARDS

We interviewed Office personnel to determine if processes existed to account for all property room inventory, if property inventory records were up-to-date and accurate, and if internal controls were in place to safeguard all money, firearms, drugs and high-value items in the property room.

We reviewed the Office's physical inventory records and disposal records as well as monitoring procedures. We also traced Office inventory and disposal reports to source documents and physical inventory, as appropriate, to ensure the accuracy of records related to current inventory and disposals. Our audit included the following steps:

- We conducted a walk-through of the Office's facilities to determine what controls were in place over inventory.
- We judgmentally selected a sample of 10 items from a property item list. Our selection was based on a random assortment of cases from various years. Each item was pulled from location to verify that it was present, that the seal was intact, that there were no apparent signs of tampering and that the property label on the item matched the Office records.
- We then judgmentally selected a sample of 10 items from the physical location. Our selection was based on a random selection of items from various locations. The items were pulled from location to verify that the seal was intact, that there were no apparent signs of tampering and that the property label on the item matched the Office records.
- We used the Office's inventory report to judgmentally select seven categories to test from, comprising biohazard items, firearms, drug items, drug disposal bin, impound lot, money and miscellaneous. We selected these categories because of the potential for higher risk of theft or misuse. Based on the volume of the evidence category, we tested the entire population, 10 percent of the population, or a combination of percentage, availability, and the risk and sensitivity factor. With the assistance of the evidence officer, we tested physical inventory.
- We used the Office's handwritten inventory logbook to select items stored in inventory prior to implementing the computerized system.
- For property room money, we conducted three tests:
 - We selected all bags of currency over \$500 and traced each bag from the current evidence inventory report to its location in the property room.
 - We then verified the amount of money in the bag for the sample selected to the amount listed on the report. An Office of the State Comptroller (OSC) examiner and the Office's evidence officer conducted a physical inventory, going to each location to verify the item was in the correct location and that the label information

on the bag matched report information, and observing if the evidence bag seal was intact, noting the date on the seal and documenting any discrepancies.

- For a judgmentally selected sample of bags, Office employees unsealed the bags, counted the money inside and resealed the bag in the presence of OSC examiners. At the time of the count, all individuals had to be in agreement to proceed.
- We used the Office's disposal records to judgmentally select items disposed by the Office during our scope period and tested for compliance with Office policy.
- We selected a sample of Office incident reports prepared by officers at the time of collection and reviewed the narrative on the incident report to determine if the evidence noted as collected matched what was in the evidence bag.
- We also traced access rights to the Office's computer system and, for a selection of users, tested the ability of to add, edit and delete records.

We conducted this performance audit in accordance with GAGAS. Those standards require that 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 our findings and conclusions based on our audit objectives.