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Review of Recording and Storage of Cash-  
Police Evidence Unit

**Report of Audit 07/08-XX-08**

**December 3, 2008**



Office of Management and Budget

Internal Audit

**MEMORANDUM NO. 09-07**

**DATE:** December 3, 2008

**TO:** Chief of Police/Frank Adderley

**SUBJECT:** *Review of Recording and Storage of Cash-Police Evidence Unit*

Enclosed is the "subject" Final Report of Audit.



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Allyson C. Love  
Director, Office of Management and Budget

Attachment - Final Report of Audit No. 08/03-XX-03

c: City Commission  
City Manager/George Gretsas  
Assistant City Manager/Kathleen Gunn  
Assistant City Manager/David Hebert  
Assistant City Manager/Stephen Scott

ACL/am

## REPORT OF AUDIT NO. 07/08-XX-08

**Date:** June 27, 2008  
**To:** Chief of Police/Frank Adderley  
**From:** Assistant Internal Audit Director/Renee C. Foley  
**Subject:** *Review of Recording and Storage of Cash – Police Evidence Unit*

### **BACKGROUND**

The City of Fort Lauderdale (City) Police Department during routine and investigative operations may confiscate property that may be used as evidence to prosecute. Police officers can also submit abandoned and found property to the Evidence Unit. The Evidence Unit is responsible for the receipt, packing, storage, release and disposal of property submitted into evidence. Florida State laws and the City's Police Department policy and procedures provide for the determination of disposition.

The I/Leads Records Management System (herein "I/Leads") was purchased in 1998 and installed July 1, 2000<sup>1</sup> and included the evidence module but was not migrated since the Evidence Unit used a customized system. The Evidence Unit began utilization of I/Leads in approximately June 2007. The prior system, Unisys, data was not copied to I/Leads. Evidence Unit staff enter Evidence Property Forms<sup>2</sup> (EPFs) completed/submitted by Police officers into I/Leads after intake and completing their section of the form.

### **SCOPE**

The Commission for Florida Accreditation (CFA) 3.0, Standard 36.02(A) mandates an annual audit of the property function be conducted by a member not routinely or directly connected with control of property. The Police Department Staff Inspections/Accreditation Management Office requested Internal Audit conduct an audit of the Evidence Unit function related to cash only. We performed certain tests of compliance based on Florida Law Enforcement Accreditation Standards, Police Department Policy, Evidence Unit's Standard Operating Procedures (SOPs) and determined the adequacy of the internal control environment used over cash within the Evidence Unit operation. We interviewed

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<sup>1</sup> According to Police Information Technology Manager.

<sup>2</sup> Form Z-416.

## **REPORT OF AUDIT NO. 07/08-XX-08**

personnel, performed walkthroughs/observations, examined records, activities, and physical property/evidence during the months of April through June 2008. The audit was conducted in accordance with generally accepted government auditing standards and, accordingly included such tests of internal controls as considered necessary under the circumstances.

### **OVERALL EVALUATION**

The results of a partial physical inventory of cash on hand and Flash funds (cash counts) in vault room safes conducted on 5/1/08 and 5/8/08 revealed no material discrepancies. However, we identified significant internal control weaknesses in the Evidence Unit environment. Inventory and audits of property have not been conducted as required. The I/Leads system does not provide the minimum requirements of time property was received/released and full chain of custody; and as a result, accreditation standard and Evidence Unit procedure are not adhered to. Furthermore, multiple systems are being used to account for property/evidence opposed to one centralized system. Storage problems exist since areas/units, including safes, were filled to capacity and property/evidence was found in different storage locations than recorded on the system bar code and without an EPF. The Evidence Unit does not routinely conduct research to purge its inventory adding to the storage burden. Furthermore, internal controls were not adequate to properly restrict access and safeguard assets (cash) in the Evidence Unit's custody; and verify cash evidence taken into inventory was properly tracked/accounted for.

### **FINDING 1**

***Annual inventory of property and audits at six-months intervals have not been conducted of the Evidence Unit.***

*Florida Law Enforcement Accreditation, CFA 3.0, Standard 36.02M(C) requires "A directive states that property custodians are accountable for all property within their control, and addresses the following, at a minimum:...An annual inventory of property is conducted by the property custodian and a designee of the CEO."*

*Police Policy 105.1 Evidence Procedures, Section I. Inspections, requires "1. The Office of the Chief of Police shall ensure that the property custodian is accountable for all property within their control. Accountability shall be verified through inventories, audits, and periodic inspections. The inspector shall be a supervisor or manager not directly connected with property storage. 2. Inspections of found recovered, or*

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*evidentiary property shall be accomplished: a. By a designee of the Chief of Police not directly connected with the property evidence function; b. Both periodic announced and unannounced; and c. Using a sample of inventory large enough to ensure accuracy.”*

*Evidence Unit Standard Operating Procedures (SOPs), H. Cash Procedure, 3. Cash Received (d) states, “Audits are compiled at six-month intervals by the Evidence Unit supervisor and one Evidence Unit technician.”*

Our review of documentation to determine whether inventories, inspections and audits were conducted in 2007 and 2008 through May 2008 revealed inventory of property was not conducted by the property custodian and designee of the Chief of Police and audits of cash received were not performed by Evidence Unit supervisor and technician. The Staff Inspections Office completed annual unannounced inspections in March 2007 and January 2008. Although policy requires a sample of inventory large enough to ensure accuracy, inspections conducted only included a sample size of three (3) EPFs that did not include cash. The property custodian conducted inspections in February and November 2007 with no support documentation to evidence what was reviewed/tested.

We also found reports are not run from I/Leads and Unisys property records systems in order to perform an inventory, inspection and/or audit. System bar codes were on Evidence moneybags and I/Leads supports a handheld data collection barcode scanner to conduct an inventory; however, scanners are not used. Furthermore, cash ledgers are also maintained in Excel that are not reconciled to property records automated system reports.

Lack of enforcement of policy and procedure resulted in annual inventory and semi-annual audits not being conducted. Furthermore, policy does not define partial inventory/accounting and/or what a large enough sample of inventory is needed to validate accuracy.

Enforcement of the requirement to conduct inventory/audits and reconciliation to property/evidence management system reports will provide a record of property on hand and enable compliance with standard, policy and procedure.

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### RECOMMENDATIONS AND MANAGEMENT COMMENTS

The *Chief of Police* should:

**Recommendation 1.** *Require an Inspector and Police Property Supervisor (PPS) to conduct a partial inventory commencing with cash. A selection from all other types of property/evidence should be partially inventoried on an annual basis as well. Detailed backup documentation should be maintained to support results thereof.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “A partial inventory of general, narcotics and cash property will be performed by the PPS on an annual basis. The partial inventory results will be documented and filed electronically on the department’s computer network “usershare” as well as on hard copy in the Evidence Unit.” **Effective date November 1, 2008.**

**Recommendation 2.** *Revise Police policy and Evidence Unit SOPs to define/specify sample size (i.e., percentage of population) for partial inventory and that physical inventories and audits should be conducted using property records automated system reports.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “The Evidence Unit SOP will be revised to include the percentage of evidence items that should be included in the Semi-Annual Partial Cash Audit and the Annual Evidence Partial Inventory with assistance of the automated system.” **Effective date November 1, 2008.**

The *Captain of Staff Support* should require the *PPS* to:

**Recommendation 3.** *Conduct audits of cash received semi-annually as required in procedure.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “The Staff Support Captain has directed that results of the partial cash audits and partial inventories be included on the Evidence Unit Monthly Report. Cash audits will be scheduled by the Police Property Supervisor to be performed at 6 month intervals. This will facilitate the tracking of these functions and serve as a reminder to the unit supervisor. A Partial Cash Audit is

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being scheduled to commence in November of 2008.” **Effective date November 1, 2008.**

### FINDING 2

***Time property was received/released and full chain of custody data was not entered in the I/Leads system, resulting in non-compliance of minimum requirements of accreditation standard and Evidence Unit procedure. Furthermore, multiple systems are being used to account for property/evidence opposed to one centralized system.***

*Florida Law Enforcement Accreditation, CFA 3.0, Standard 36.08M requires “The agency has a property records system which provides the following information, at a minimum: A. Current location of property; B. Date and time property was received/released; C. Description of the property; and D. Chain of custody from time of receipt until final disposition.”*

*Evidence Unit SOPs, Section C.3 requires “...Maintain the chain of custody when property is removed, returned, or destroyed.” Section C.8 Responsibilities of Evidence Unit Staff requires “Enter into the Property Records System (computer): the location of property; date and time property was received/released; description of property; and chain of custody from time of receipt until final disposition.”*

Our review to determine whether the I/Leads system contained the minimum information required revealed while a written procedure was established, the following data was not entered/recorded in I/Leads:

- Time property was received/released.
- Complete chain of custody from time of receipt through to final disposition.

We also found the following deficiencies and/or internal control weaknesses during our review.

- Data from the Unisys system was not transferred/copied/input to the I/Leads system.
- Evidence staff’s inability to print reports from Unisys.

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- Manual system of cash ledgers is also maintained in Excel. Not all chain of custody data/information recorded in the cash ledgers and EPFs is entered in the automated systems.
- Data is not entered in the existing field for “Witness Officer” in I/Leads.
- Transfer of custody of evidence signed out for court and/or investigation that was recorded in the cash ledgers and included in safe totals is not recorded in the automated systems.

Procedure to enter time property was received/released and record data/information concerning chain of custody through to final disposition was not enforced. According to Police Senior Technology Support Analyst, all fields in the old system are not in the new system. Thus, in order to keep the old system data complete and correct, it was not removed from the old system. It was further stated that they were working on copying data related to changed cases from the old system to the new system and dealing with technical issues with the vendor to try and resolve these issues.

Enforcement of procedure established and utilization of one centralized records management automated system will ensure compliance with accreditation standard and Police procedure and will improve management control of property, provide for accurate reporting and accountability of inventory, and reduce reliance on manual systems.

### **RECOMMENDATIONS AND MANAGEMENT COMMENTS**

The *Captain of Support Services* should require the *PPS* to:

**Recommendation 4.** *Require staff enter time property is received/released and complete chain of custody data/information through to final disposition into property records automated system as required by accreditation standard and Police procedure. Furthermore, require staff to input chain of custody data/information recorded on EPFs and cash ledgers that has not been recorded in the automated system. For the future, consider implementation of handheld barcode scanners to read bar codes from property items in support of property search, check-in/out operations and conducting inventory in Recommendation 1.*

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**Management Comment.** *Management concurred with the finding and recommendation and stated:* “The Evidence Unit staff state as a matter of routine operating procedure they always enter the time property is received and released. A query of property entered into I/Leads was performed and no receive or released dates were missing. There are a number of operating deficiencies associated with the much older Unisys system. This included pockets of missing information, which is what led to the Department switching to the I/Leads Evidence system in June 2007. The Evidence Unit has always recorded items Chain of Custody on the associated Evidence/Property Form, which is the document presented at court. Complete information was not regularly copied to the computer system. Effective October 1, 2008, all Chain of Custody information and time received/released will be entered into the computer system going forward. **Effective date October 1, 2008.**”

The Information Management Division of the Police Department is planning to upgrade the Records Management System to a current version in **March 31, 2009**. This upgrade will facilitate the efficient use of Bar Code Scanners and the unit will implement them at that time.”

**Recommendation 5.** *Require staff enter “Witness Officer” from the EPF into the I/Leads system.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “The Evidence Unit staff will enter “Witness Officer” information into I/Leads beginning October 1, 2008.” **Effective date October 1, 2008.**”

The *Police Information Technology Manager* should:

**Recommendation 6.** *Immediately communicate with system vendor and follow-through to resolution on copying old to new (I/Leads) system data in order to have one comprehensive/centralized records management system. If copying data is unable to be accomplished, old system data should be input into I/Leads using a phase in approach.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “The consultant in cooperation with the IT staff have been developing an application for several months to query, run reports and move individual cases into I/Leads. The first two programs are expected to be implemented by **December 31, 2008**. Implementation of the last program will

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begin after the I/Leads upgrade is completed.” **Estimated completion date March 31, 2009.**

**Recommendation 7.** *Provide system reports and/or enable Evidence staff to retrieve/print their own reports in order for inventory in Recommendation 1 to be conducted.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “The I/Leads system has the ability to retrieve all information entered and produce reports. It also allows any 3<sup>rd</sup> party report writing tool (ex. Crystal Reports) to query and print reports. The Unisys system report functions have ceased working properly. In light of this, the Department’s IT consultant in cooperation with the IT staff have been developing a applications to query, run reports and move individual cases into I/Leads for several months. The first two programs are expected to be implemented by the end of 2008.” **Estimated completion date December 31, 2008.**

### **FINDING 3**

***Storage areas/units, including safes, were filled to/approaching capacity limitations and evidence was found unlabeled/unpackaged, without an EPF and system bar code, and stored in incorrect locations.***

*Florida Law Enforcement Accreditation, CFA 3.0, Standard 36.01M(E) requires “Extra security measures for handling exceptional, valuable, or sensitive items of property; i.e. money/negotiable instruments, precious metals, jewelry, weapons, and drugs;...” Standard 36.03M requires “All property held by the agency is kept in designated secure area(s).”*

*Police Policy 105.1 Evidence Procedures, Section B.3.c requires “...Monies not personally delivered to a member of the Evidence Section will be placed in the drop safe.”*

*Evidence Unit SOPs, Section C.7 requires “Secure valuables such as cash, jewelry, and narcotics within the vault room after it has been received on an Evidence Property Form (Form Z-416).”*

During walkthroughs and observations of Evidence Unit operations and security measures and cash counts of inventory on hand, we noted the following conditions.

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| Storage Area/Unit   | Condition Found  |
|---------------------|--|
| Safe 1              | Flash funds (envelopes not sealed/secured along with other empty envelopes) and cash evidence (seal broken without “biohazard” sticker) improperly packaged/labeled and stored in incorrect location. Inadequate audit trail on EPFs/logs for Flash funds. <sup>3</sup>  |
| Safe 2 <sup>4</sup> | Cash and general evidence stored in incorrect locations, which if full, could impede an officer’s ability to place monies into depository. Unlabeled/unpackaged evidence and without EPFs <sup>5</sup> /system bar codes.  |
| Safe 2 (on top of)  | General evidence without an EPF/unpackaged.  |
| Safe 3              | Storage unit filled to capacity.   |
| Vault Room          | Evidence stored in vault room outside of safes was filled to capacity.   |
| Central Warehouse   | Storage area filled to capacity. Evidence found not labeled/packaged and without EPFs/system bar codes.  |
| Garage              | Numerous boxes that according to PPS: 1) needed to be researched to determine eligibility for purging; 2) could be in Central Warehouse but there was not enough space; and 3) were sent to/received back from the lab with DNA labels not stored in an air-conditioned area or refrigerated unit. Numerous boxes evidence/property labeled “purged” piled on floor. |
| Staff Work Areas    | Evidence boxes/envelopes piled throughout without organization.  |

Although cash was stored in the Vault Room and within combination safes, storage areas/units filled to capacity resulted in evidence placed in incorrect locations.

Properly packaged, labeled, recorded and stored found, recovered, or evidentiary property in secure areas/units with sufficient storage space will enhance the integrity of the evidence and allow for submission, storage in the correct location, and ease of retrieval/identification.

### **RECOMMENDATIONS AND MANAGEMENT COMMENTS**

The *Captain of Staff Support* should require *PPS* to:

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<sup>3</sup> Rolex watches were also contained in Safe 1 that according to PPS were fake (purged evidence) used as Flash by officers. There was a list in the safe of case numbers, indicating “fake” Rolexes with no value; however, all that were listed were not in safe.

<sup>4</sup> When the Evidence Unit is closed, evidence placed in the depository (drop safe) in the Overnight Storage Area drops down a chute into Safe 2.

<sup>5</sup> EPFs were subsequently provided; however, did not include all items actually contained in briefcase.

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**Recommendation 8.** *Arrange for an assessment of storage area/space needed to accommodate current/future property submitted to the Evidence Unit to address overcrowding issues.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “The Department will continue exploring options to increase the unit’s storage capacity as well as identify resources that will increase the frequency of purging.” **This item is open.**

**Recommendation 9.** *While conducting inventory in Recommendation 1, return evidence to its proper storage location recorded on system bar code. Follow-through to final disposition on boxes labeled “purged.” Furthermore, correct inventory items not/improperly packaged/labeled and/or without an EPF and system bar code.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “Boxes and packages labeled “purged” are awaiting final disposition which could include auction, burning or deposit. These functions are completed at different times and in some cases require the scheduling of 3<sup>rd</sup> party assistance. Scheduling of final disposition for items will occur as quickly as possible. **This item is open.**

Staff is not authorized to alter or correct the packaging of submitted items. By November 1, 2008 the Evidence Unit will begin sending AVO’s via email in order to more effectively track their status. Per policy they notify the submitter to return to evidence and make the correction. All property have EPF’s depending on the type of item a copy of the EPF may be kept with the item or it may be kept in the evidence files. All property received while the Evidence Unit utilized either the Unisys system or I/Leads system have bar codes. Evidence received prior to that time will not have bar code labels.” **Effective date November 1, 2008.**

### **FINDING 4**

***The Evidence Unit does not routinely conduct research to purge its inventory, which adds to the storage burden.***

*Section 705.105(1), Florida Statutes, permits valuables, monies, etc., held in evidence 60 days after the criminal proceeding to become property of the agency if not claimed.*

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*Police Policy 105.1 Evidence Procedures, Section G. Disposition of Property and Evidence states "The Evidence Section will provide a disposal program for all articles in storage. 1. Evidence used to support an arrest will be disposed of sixty (60) days following final disposition rendered by the court of jurisdiction, if no appeal has been filed. 2. Found Property: All found property, which is not used to support an arrest or cannot be returned to a rightful owner, shall be disposed of ninety (90) days following the date of receipt of the article. Disposition of found property shall be in accordance with established procedure and governing statute."*

*Evidence Unit SOPs, Section H. Cash Procedure, 4.b Cash Out states "...When a case has been closed the cash is held until a deposit is made with confiscation...." Section J. Found Property states "Property that is not claimed is held ninety days and advertised in the Sun-Sentinel legal classified section for two consecutive weeks and then purged...."*

Our review of disposal program/cash outs for the period March 2007 through March 2008 revealed purging was not conducted by the Evidence Unit on a routine basis. Abandoned and found property monies were deposited to the General Fund and confiscated funds were deposited to the Law Enforcement Trust Fund (LETF) in March 2007, then not again till January 2008. Since commencement of this audit, purging occurred in March 2008.

| <i>Cases:</i> | <i>Abandoned/Found Property</i> | <i>Confiscated</i> |
|---------------|---------------------------------|--------------------|
| Mo/Yr Deposit | General Fund                    | LETF               |
| March 2007    | 2003-2005                       | Jan-Aug 2006       |
| January 2008  | 2006                            | 2005-2006          |
| March 2008    | 2000, 2002-2006                 | 2004-2005          |

A specific timeframe has not been established to require research be performed to determine cases eligible for release from inventory by placing monies in the bank for deposit. PPS stated evidence could be purged, but staff has not been able to get to it indicating evidence processing had tripled, but staff had remained the same. Police Aide II-Specialist (PAII) indicated purging is done when storage units are full and space is needed.

Establishment of a specific timeframe to conduct research to determine cases eligible for release from inventory/purging routinely through to final disposition will assist in easing the storage burden and increase revenues deposited.

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### RECOMMENDATIONS AND MANAGEMENT COMMENTS

The *Chief of Police* should:

**Recommendation 10.** *Revise policy and procedure to include a specific timeframe to conduct purging on a routine basis (i.e., monthly/quarterly).*

**Recommendation 11.** *Immediately conduct research to determine whether cases are eligible for purging from Evidence inventory through to final disposition. Initiate action to purge found property not claimed and all property that is no longer necessary to be used as evidence in a criminal case. Furthermore, review the offense in order to make the determination as to whether money was obtained through the Contraband Forfeiture Act and deposited to LETF or belongs in the City's General Fund.*

**Management Comment.** *Management concurred with the finding and recommendations 10-11 and stated: "The Evidence Unit staff performs purging every two weeks and sometimes weekly. The Department shall review eligible cases with cash to be performed 4 times each year. **Effective date April 1, 2009.***

The Evidence Unit supervisor will coordinate with the Confiscation Unit to ensure the funds are recovered and deposited into the correct account upon final disposition." **Effective date November 1, 2008.**

**Recommendation 12.** *Once property has been purged, entry to the property/evidence records automated system should be made to provide for full tracking and accountability through to final disposition.*

**Management Comment.** *Management concurred with the finding and recommendation and stated: "The Evidence Unit has always recorded items Chain of Custody on the associated Evidence/Property Form, which is the document presented at court; however, complete information was not regularly copied to the computer system. Effective October 1, 2008, all Chain of Custody information will be entered into the computer system going forward." **Effective date October 1, 2008.***

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### FINDING 5

***Internal controls were not adequate to properly restrict access and safeguard assets (cash) in the Evidence Unit's custody.***

*Proper internal controls require funds to remain under lock and key at all times and access restricted to a minimum number of employees.*

During cash counts of inventory on hand, walkthroughs and observations of Evidence Unit operations and security measures we noted the following conditions.

- All Evidence Unit staff (5)<sup>6</sup> had access to PPS's safe via key/access code or door left open on several occasions, including employee who handles processing cash evidence. Keys to storage areas/units and combinations to vault room safes are maintained on cards in an envelope and are stored in this particular safe. (*segregation of duties/safeguarding of assets*)
- Safes 2 and 3 were routinely kept open during working hours, which according to staff saves time to open the safes for storage/removal of cash evidence. Inside door to Overnight Storage area was left open and keys were left in door to storage area for ease of entering/exiting (i.e., door into garage off Central Warehouse). (*safeguarding of assets/asset accountability*)
- No written inventory of keys distributed/assigned to staff and those stored in safes was provided/evidenced. (*fixed responsibility/asset accountability/safeguarding of assets*)
- Twenty-five (25) unlabeled keys were found in Safe 1 and three (3) in PPS's safe; thus, purpose/key use could not be identified. (*safeguarding of assets/asset accountability*)
- Employees physically stored their keys in unlocked desk drawers and not on their person. (*asset accountability/safeguarding of assets*)
- Surveillance monitor of various storage areas located on PPS's desk was not always turned on. (*safeguarding of assets/monitoring and detection*)

Restriction of access to storage areas/units will safeguard assets in the City's custody and fix responsibility for losses should they occur.

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<sup>6</sup> One (1) PPS and four (4) Police Aide II-Specialists (PAIIs).

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**RECOMMENDATIONS AND  
MANAGEMENT COMMENTS**

The *Captain of Staff Support* should require:

**Recommendation 13.** *PPS to initiate action to restrict access to safes to a limited number of staff, arrange for safe combinations to be changed, and provide access to safes with new combinations to only staff designated and providing adequate segregation of duties.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* It is unclear when the Evidence Unit safe's combinations were last changed. The combinations will be changed in the next 30 days. The Evidence Unit has 4 fulltime staff and 1 supervisor. In order to create efficiency and increase accountability each unit member is assigned a primary role (processing cash, narcotics, found property or general evidence). The unit maintains 4 safes as listed below. The PPS will limit access to the safes to the unit member with the related role and himself. **Effective date November 1, 2008.**

| Storage Safes | Content Descriptions                                 |
|---------------|--|
| Safe 1        | Cash (\$10,000 & more per case) and Flash cash funds |
| Safe 2        | Overnight Drop Safe                                  |
| Safe 3        | Cash (\$9,999 & less per case)                       |
| Safe 4        | Jewelry  |

**Recommendation 14.** *Evidence Unit staff to discontinue the practice of routinely leaving storage area(s) and safe(s) open and establish a requirement to only open safes when funds are needed for storage and/or issuances to police officers for court/investigative purposes.*

**Management Comment.** *Management concurred with the finding and recommendation and stated* "The PPS will modify the unit SOP and require storage area doors to be closed when not in use. The SOP will be further modified to prohibit leaving safes open when they are not immediately being accessed." **Effective date October 1, 2008.**

**Recommendation 15.** *PPS will prepare a written inventory list after performing an inventory of keys distributed to personnel and those maintained in safes. Determine keys actually used and those outdated. For those currently used to*

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*access storage areas/units have “Do Not Duplicate” etched/imprinted on them to prevent the possibility of key reproduction.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “The PPS will prepare a written inventory list after performing an inventory of keys distributed to personnel and those maintained in safes. Determine keys actually used and those outdated. For those currently used to access storage areas/units have “Do Not Duplicate” etched/imprinted on them to prevent the possibility of key reproduction.” **Effective date November 1, 2008.**

**Recommendation 16.** *Evidence Unit staff to discontinue the practice of storing keys to storage areas/units in unlocked desk drawers/units or not on their person.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “Evidence Unit Staff will discontinue the practice of storing keys to storage areas/units in unlocked desk drawers/units or not on their person.” **Effective date October 1, 2008.**

**Recommendation 17.** *PPS to discontinue the practice of not always turning on surveillance monitor. If PPS is scheduled to be on leave, supervisor should turn on surveillance monitor.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “A written directive will be sent to unit members that the surveillance monitor should be on at all times.” **Effective date October 1, 2008.**

### **FINDING 6**

*Internal controls were not adequate to verify cash evidence submitted by officers and taken into inventory was properly tracked/accounted for.*

Our review of cash evidence submitted by officers during the period January 2 through April 16, 2008 and recorded on cash ledgers verified to evidence bags and EPFs in storage and property records automated system reports, as well as during cash counts of inventory on hand and review of evidence/property logs/records revealed the following internal control weaknesses and/or conditions.

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- Witnessing officer's signature was not always evidenced/obtained by Evidence staff on EPFs as required. (*asset accountability/fixed responsibility*)
- Envelopes opposed to clear plastic moneybags were used by officers at times to package/submit cash evidence. Language in policy and procedures is ambiguous (i.e., plastic envelope and sealed). Actions were not taken by Evidence staff to contact the officer to return to properly package cash submitted. (*safeguarding of assets*)
- Smaller Evidence moneybags/envelopes were placed in larger uniform-sized clear plastic moneybags after officers submitted cash evidence resulting in pertinent data recorded by officers rewritten on the larger bag by Evidence employee or covered opposed to requiring officers to utilize bags of a specific size. (*asset accountability*)
- Count total was not indicated in red pen or total count of denominations always circled on EPF by Evidence employee as required; thus, we were unable to determine whether a verification was performed. (*asset accountability*)
- Three (3) EPFs that totaled \$3,899 were recorded on the Cash Ledger Reports as "Cash Outs" with dispositions listing all three deposited 4/3/08; however, complete chain of custody/dispositions were not recorded in the I/Leads system. (*asset accountability/fixed responsibility/audit trail*)
- No segregation of duties for the cash processing function. One employee performs completing Evidence section of EPF/Evidence Receipt, recording of cash into the manual cash ledgers and Evidence automated systems, deposits, withdrawals and storage/removal of all cash taken into the Evidence Unit. (*segregation of duties/asset accountability/detection and monitoring*)
- All Evidence Unit staff have the same set of permissions in I/Leads<sup>7</sup> that does not provide for adequate segregation of duties. (*segregation of duties/security*)

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<sup>7</sup> Includes the capability to add and modify on name records, Evidence collection, Evidence inventory, Evidence inventory reset, property/evidence and property/intake.

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- A separate log was not established for cash evidence; thus, officers logged evidence placed in lockers and drop safe on the Evidence Locker Log.<sup>8</sup> (*asset accountability/audit trail*)
- Entries on the Evidence Locker Log could not be easily traced to Safe 2 Daily Cash Log without having to retrieve EPFs to determine whether money was placed in the drop safe. (*asset accountability/audit trail*)
- The majority of evidence placed in the drop safe was not cash and included general evidence when lockers were available. (*asset accountability*)
- The majority of cash evidence is done via the inside Evidence Unit entrance and is not required by Evidence to be logged by submitting officers. (*asset accountability*)
- Evidence Locker Log was not always verified by two employees. Furthermore, 2<sup>nd</sup> person signed log subsequent to original verification date. (*monitoring and detection/asset accountability/fixing responsibility*)
- Safe 2 Daily Cash Log was not always completed on a daily basis or verified by two staff members. On occasion verification was performed by the employee responsible for processing cash. (*monitoring and detection/asset accountability/segregation of duties*)
- Follow-ups are not conducted of monies turned over to court. (*asset accountability*)

Enforcement and periodic review of implementation of policies and procedures will enhance compliance and strengthen the internal control environment.

### **RECOMMENDATIONS AND MANAGEMENT COMMENTS**

The *Captain of Support Services* should require the *PPS* to:

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<sup>8</sup> “Drop, safe, drop box,” etc. was recorded under the column entitled “Locker #” to indicate either cash and/or general evidence was placed in depository.

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**Recommendation 18.** *Require Evidence staff to follow-through to resolution on A.V.O. Notices issued for incomplete EPFs (i.e., witnessing officer's signature omitted, cash packaged in envelope opposed to moneybag, etc.) in order for officers to return for completion/correction.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "By November 1, 2008 the Evidence Unit will begin sending AVO's via email in order to more effectively track their status. This will also simplify escalating unresolved AVO's up the Department member's chain of command." **Effective date November 1, 2008.**

**Recommendation 19.** *Discontinue the practice of PAII placing evidence bag labeled/packageg by the officer in a larger bag.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "The PAII will discontinue the practice of placing evidence bag labeled/packageg by the officer in a larger bag." **Effective date October 1, 2008.**

**Recommendation 20.** *Enforce requirement for staff to indicate count total on the EPF and circle count total to indicate total count of denominations was verified.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "Staff will indicate count total on the EPF and circle count total to indicate total count of denominations was verified." **Effective date October 1, 2008.**

**Recommendation 21.** *Perform a verification of all cash outs (i.e., deposits, etc.) listed in cash ledgers. Enter all deposits to property records automated systems that were not recorded in order to maintain an accurate record of chain of custody/final disposition.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "A verification of all cash outs will be performed. An accurate chain of custody and final disposition is currently available in the Master Cash Transaction spreadsheet. Beginning October 1, 2008 all chain of custody and final disposition information will be recorded directly into I/Leads. The number of cases with cash property/evidence since June of 2007 will be

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researched and a determination will be made as to the feasibility of re-entering this information into I/Leads.” **Effective date October 1, 2008.**

**Recommendation 22.** *Restrict access/limit set of permissions that includes the ability to add and modify (on name records, Evidence collection, Evidence inventory, Evidence inventory reset, property/evidence and property/intake) in I/Leads in order to provide for adequate segregation of duties to provide for proper security controls.*

**Management Comment.** *Management nonconcurred with the recommendation and stated:* “The computer system does not allow the restricting of permissions based on the type of evidence/property being entered.” **This item is closed.**

**Recommendation 23.** *Establish a separate log for cash evidence or revise the Evidence Locker Log to Evidence Locker/Drop Safe Log; however, a separate column would need to be added to the existing log entitled “Cash Evidence Amount” placed in depository and revise procedures accordingly.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “A modified Evidence Locker/Drop Safe Log has been implemented.” **Effective date October 1, 2008.**

**Recommendation 24.** *Discontinue the practice of allowing officers to place general evidence in the drop safe in addition to cash.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “A sign has been installed over the Drop Safe door stating “CASH ONLY”. In addition, an Information Bulletin will be distributed reminding Department staff of the proper procedure.” **Effective date October 1, 2008.**

**Recommendation 25.** *Enforce dual verifications of logs to occur on a daily basis, excluding weekends. Each employee performing verification should record date verification was performed.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “A memo has been sent to the Evidence staff reminding them of this requirement.” **Effective date October 1, 2008.**

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**Recommendation 26.** *Conduct periodic reviews to determine implementation of policies/procedures established.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “PPS will conduct monthly reviews of work completed by staff to determine if the policy and procedures are followed.” **Effective date October 1, 2008.**

The *Captain of Support Services* should:

**Recommendation 27.** *Revise policy and procedures to require officers submit cash in a clear plastic Evidence moneybag only opposed to envelope, which will also clarify the language, and specify the uniform size to be used.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “The PPS will revise policy and procedures to require officers to submit cash in a clear plastic Evidence moneybag. If completed incorrectly an AVO will be sent to the individual for correction.” **Effective date November 1, 2008.**

**Recommendation 28.** *Establish specific procedures and appoint different employee(s) to log in monies received into evidence (i.e., Safe 2 Daily Cash Log and entry to the property/evidence records management systems) independent of the person assigned to the cash processing function to provide for adequate segregation of duties.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “The PPS will update the unit SOP as follows: The Evidence Technician that is assigned to the cash processing function will not be the same as the Evidence Technician that checks the Daily Cash Log for Safe #2 unless no other technicians are available.” **Effective date November 1, 2008.**

**Recommendation 29.** *Consider consulting with the Police Information Technology Manager and system vendor (Intergraph Corporation) to arrange for implementation of officers opposed to Evidence Unit staff entering EPF data directly to the I/Leads system for efficiency purposes rather than completing EPFs manually and Evidence staff inputting the data, which may eliminate the need for certain log(s) and increase time available for Evidence Unit staff to perform research/purging.*

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**Management Comment.** *Management concurred with the finding and recommendation and stated:* “The new Lieutenant has been assigned this project and it is in progress again. **Implementation is anticipated by December 31, 2008.**”

**Recommendation 30.** *If recommendation 29 is not considered/implemented, a log should be established for cash evidence submitted by officers via the inside front entrance to the Evidence Unit for purposes of asset accountability/audit trail. Furthermore, all evidence submitted into the Evidence Unit (via the inside front entrance and overnight storage room) should be verified from the logs to the I/Leads system on a daily basis in order to determine that all evidence/property submitted by officers was indeed received by the Evidence Unit and posted/recorded in I/Leads for purposes of asset accountability/audit trail.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “A new Evidence Submission Log has been created and put in use as of October 1, 2008.” **Effective date October 1, 2008.**

**Recommendation 31.** *Establish a written procedure to require for monies turned over to court that follow-ups be conducted on a quarterly basis to determine if the monies are eligible for return to the City for final disposition.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “Management will establish a written procedure to require for monies turned over to court that follow-ups be conducted on a quarterly basis to determine if the monies are eligible for return to the City for final disposition.” **Estimated completion date January 1, 2009.**

### **EVALUATION OF MANAGEMENT COMMENTS**

Management comments provided and actions taken and/or planned are considered responsive to the recommendations.