MANAGEMENT AUDIT REPORT

OF

ALBUQUERQUE POLICE DEPARTMENT
EVIDENCE UNIT

REPORT NO. 09-107

City of Albuquerque
Office of Internal Audit and Investigations

Background: The Office of Internal Audit and Investigations (OIAI) conducted a management audit of the Albuquerque Police Department (APD) – Evidence Unit. This audit was included in the fiscal year (FY) 09 approved audit plan by request of the Chief of Police for the City of Albuquerque (City).

The Evidence Unit is an essential component of the APD, the Bernalillo County Sheriff's Office, and other outside agencies within Bernalillo County. The primary responsibility of this Unit is to protect the integrity of all the property and evidence items catalogued in the Evidence Unit. The Unit is accountable for the safe, efficient handling and preservation of all property and evidence, including the maintenance of inventory records. This Unit serves a crucial role in the chain of custody.

Objective: Is evidence secured and accounted for properly according to APD, State and Outside Regulatory Agency requirements?

- In 2 of 40 instances (5%), a barcode was issued in order to correct a duplicate entry made by an officer in the software system. The barcode sticker was scanned and discarded after the entry was made.
- In 4 of the 6 instances (67%), the journal entries to record the monthly activity in the evidence cash account were prepared but not posted to the general ledger in a timely manner.

Recommendations: APD - Evidence Unit should regularly prepare and review a report of barcode numbers used to correct duplicate entries in the evidence software system.

APD - Fiscal should ensure the journal entries for the monthly activity in the evidence cash account are prepared and posted to the general ledger in a timely manner.

Objective: Have performance measures been generated for the Evidence Unit and have these performance measures been achieved?

Supporting documentation did not match the figures reported in the FY08 Performance Plan.

Recommendation: APD - Evidence Unit should ensure that documentation supports the measures reported in the City's performance plan.

Objective: Does the information system and its users in the Evidence Unit track and catalog evidence effectively and accurately?

There is no formal written process in place to document the authorization of additions, deactivations, and access changes to Evidence Unit software users.

Recommendation: APD – Evidence Unit should implement formal procedures for software user account management.

During our fieldwork we noted no exceptions for the following objective:

Are Evidence Unit personnel trained and certified according to APD and Outside Regulatory Agency standards?

Management responses are included in the audit report.

City of Albuquerque

Office of Internal Audit and Investigations
P.O. BOX 1293 ALBUQUERQUE, NEW MEXICO 87103

September 11, 2009

Accountability in Government Oversight Committee
City of Albuquerque
Albuquerque, New Mexico

Audit: Management Audit
Albuquerque Police Department – Evidence Unit
09-107

FINAL

INTRODUCTION

The Office of Internal Audit and Investigations (OIAI) conducted a management audit of the Albuquerque Police Department (APD) – Evidence Unit. This audit was included in the fiscal year (FY) 09 approved audit plan by request of the Chief of Police for the City of Albuquerque (City).

The Evidence Unit is an essential component of the APD, the Bernalillo County Sheriff's Office, and other outside agencies within Bernalillo County. The primary responsibility of this Unit is to protect the integrity of all the property and evidence items catalogued in the Evidence Unit. The Unit is accountable for the safe, efficient handling and preservation of all property and evidence, including the maintenance of inventory records. This Unit serves a crucial role in the chain of custody.

The APD – Evidence Unit has developed and maintained strict measures for the receipt, handling, security and disposition of property. Inventory management procedures are in place for handling and storing specific high risk items such as money, jewelry, firearms and weapons, blood and other bodily fluids, and drugs. The Evidence Unit has installed software which uses a bar-coding system for property management. This software enables authorized property and evidence personnel to maintain inventory records that reflect the following:

- Location of the property
- Date and time when the property was received or released
- Character, type, and amount of property inventoried
- Chain of custody from the time the property was received until its destruction or final disposition

The APD – Evidence Unit requires audits and reviews to be performed periodically as a means to verify high quality control in the Unit, including 100% bin audits, Inspection Unit Audits, Independent Oversight Commission Review, and Commission on Accreditation for Law Enforcement Agencies (CALEA) Accreditation Review. CALEA is a credentialing authority made up of law enforcement's major executive associations. As part of the accreditation, the Evidence Unit is subject to inspections of inventory and audits of evidence and in-custody property. The APD – Evidence Unit recently underwent the extensive CALEA reaccreditation process and passed November 18, 2008. This accreditation is renewed every three years.

The FY08 Performance Plan Priority Objective #16 called for an increased effort by the Evidence Unit to dispose of property which had no further evidentiary value, through the creation and utilization of an Evidence Disposition Unit. The Evidence Unit is developing a modified disposition policy and training technicians to process final disposition paperwork for evidence from old cases. Evidence Unit personnel are delegated specifically to this task, although more resources may be necessary to fully achieve this objective.

AUDIT OBJECTIVES

The objectives of the audit were to determine:

- Is evidence secured and accounted for properly according to APD, State and Outside Regulatory Agency requirements?
- Are Evidence Unit personnel trained and certified according to APD and Outside Regulatory Agency standards?
- Have performance measures been generated for the Evidence Unit and have these performance measures been achieved?
- Does the information system and its users in the Evidence Unit track and catalog evidence effectively and accurately?

SCOPE

Our audit did not include an examination of all functions and activities related to the APD – Evidence Unit. Our scope was limited to the above objectives for the ten months ending April 2009.

This report and its conclusions are based on information taken from a sample of transactions and do not intend to represent an examination of all related transactions and activities. The audit report is based on our examination of activities through the completion of fieldwork, May 25, 2009, and does not reflect events or accounting entries after that date.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

METHODOLOGY

OIAI interviewed and observed APD – Evidence Unit personnel who manage, supervise and perform operations. Documentation and processes reviewed and used as criteria in the audit included the following:

- APD Metropolitan Forensic Science Center Standard Operating Procedures (SOP)
- APD Support Services Bureau Evidence Unit SOP
- APD Procedural Order Submission of Evidence, Confiscated Property and Found Items
- Commission on Accreditation for Law Enforcement Agencies (CALEA) Standards
- International Association for Property and Evidence (IAPE) certification requirements
- New Mexico State Statute 29-1-13, Unclaimed Property Inventory
- New Mexico State Statute 29-1-14, Unclaimed Property Authority to Sell
- APD Inspection Unit Independent Audit Reports
- Supporting documentation of bar-coded items logged into the Evidence Unit software system.
- Performance measures reported in the FY08 Performance Plan.
- Performance measures reported in the FY09 Performance Plan.

INTRODUCTORY STATEMENT FROM THE CAO

"Evidence leadership completed a comprehensive review of findings identified in the subject report. Corrective efforts, improvement plans and specific actions have been initiated and estimated completion dates to correct findings have been established. A summary of these actions is detailed below."

FINDINGS

The following findings concern areas that we believe could be improved by the implementation of the related recommendations.

1. <u>APD – EVIDENCE UNIT SHOULD REGULARLY PREPARE AND REVIEW A REPORT OF DUPLICATE ENTRIES IN THE EVIDENCE SOFTWARE SYSTEM</u>.

OIAI selected a statistical sample of bar-coded items from an approximate population of 386,000 items stored in the Evidence Unit. The sample was drawn from the evidence log as of April 16, 2009 and the data was traced through the system to the actual bin location. In 2 of 40 instances (5%), a barcode was issued in order to correct a duplicate entry made by an officer in the software system. Evidence Unit personnel stated the barcode sticker was scanned and discarded after the entry was made, although notes were made in the software system regarding a description of the incident.

If an officer inadvertently inputs evidence data into the software system in duplicate, the duplicate data cannot be deleted. Therefore, in order to correct the entry, a barcode is assigned to the duplicate entry by a technician and inactivated. The actual barcode sticker is discarded. The technician enters a comment in the item history which describes the circumstances of the inactivated entry.

Statement on Auditing Standards (SAS) No. 112 states a control deficiency exists when the operation of a properly designed control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

The extent of additional user training required on the software system would be unknown unless a review is done of all the barcodes that are generated to correct duplicate entries. A reduction in the number of barcodes used to correct duplicate entries would improve the efficiency of the evidence inventory system.

  <u>RECOMMENDATION</u>

  APD – Evidence Unit should regularly prepare and review a report of bar codes that are generated to correct duplicate entries. The report should be used as a management tool to identify possible training deficiencies of software users.

   <u>RESPONSE FROM APD – EVIDENCE UNIT</u>

   "Concur: The Support Service Bureau Evidence Unit Standard Operating Procedure 3-04-9 will be supplemented with the following requirement to complete and document a monthly audit of barcode numbers used to correct

> *duplicate entries created by officers tagging evidence into the Officer Input Module. Estimated completion date: With approval of APD Policy and Procedure Review Board.*
>
> *"3-04-9E 6 The Evidence Supervisor shall complete a monthly audit to review, validate and document barcode numbers used to correct duplicate entries created by officers tagging evidence into the Officer Input Module."*

2. <u>APD – FISCAL SHOULD ENSURE THE MONTHLY JOURNAL ENTRIES FOR THE EVIDENCE CASH ACCOUNT ACTIVITY ARE PREPARED AND POSTED TO THE GENERAL LEDGER IN A TIMELY MANNER</u>.

OIAI randomly selected a sample of deposits made of cash collected as evidence during the ten months ending April 2009. The sample was tested to ensure the cash was deposited, accounts were reconciled, and journal entries were posted accurately in a timely manner. In 4 of the 6 months tested (67%), the journal entries for the monthly activity in the evidence cash account were prepared but not posted to the general ledger in a timely manner.

Monthly activity summaries for the evidentiary cash account are sent to APD – Fiscal by the Evidence Unit Supervisor. The Accountant I in APD – Fiscal receives the bank statement and the monthly summary statement, prepares the bank reconciliation, and generates a journal entry for the month's activity. According to APD – Fiscal personnel, the journal entries were prepared, yet never posted to the general ledger because of employee error.

The On-line Journal Voucher Policy Statement issued by the City provides requirements regarding the use of the on-line journal voucher system. The policy intends to expedite the journal entry process and reduce time needed to close the books at month end.

Journal entries that are not posted in a timely manner may cause the general ledger to be misstated, not only between months but also between fiscal years. The general ledger should be as accurate as possible which allows the user to obtain meaningful information in real time. Accurate information regarding the reconciled cash balance of this account should be available to the Evidence Unit Supervisor in a timely manner.

RECOMMENDATION

APD - Fiscal should ensure the journal entries for the monthly activity in the evidence cash account are prepared and posted to the general ledger in a timely manner.

RESPONSE FROM APD - FISCAL

"Concur: APD will ensure that journal entries are processed in a timely manner to ensure accuracy in the general ledger. Assignments have been made to various personnel to facilitate the process. APD expects that refinements made in the ERP system will streamline the journal entry posting process to ensure that entries are posted to the general ledger in a timely manner."

3. APD – EVIDENCE UNIT SHOULD ENSURE THAT DOCUMENTATION SUPPORTS THE MEASURES REPORTED IN THE CITY'S PERFORMANCE PLAN.

OIAI reviewed the FY09 Midyear and FY08 Performance Plan measures reported for APD – Public Safety Goal #2 Evidence Management. Supporting documentation for the performance achievements was reviewed and compared to the reported figures. Supporting documentation for the FY09 Midyear performance plan measures agreed to the reported figures.

The FY08 reports generated from the inventory software system did not match the figures reported in the FY08 Performance Plan as follows:

Measure of Merit	FY08 Actual Reported	FY08 Supporting Documentation	Difference	%
# items received into evidence	49,295	48,839	456	1%
# items returned	3,251	Not provided	N/A	N/A
# items disposed of	29,478	28,301	1,177	4%
# of bar-coded items in evidence	349,414	Not provided	N/A	N/A
% of bar-coded items in evidence	100%	Not provided	N/A	N/A

The Property and Evidence Unit Manager stated the FY08 figures were calculated using both manual and automated inventory data. The supporting documentation for the original figures reported in the Performance Plan was not retained. Because the data changes frequently due to high volume, the FY08 Performance Plan figures could not be replicated for OIAI testing purposes.

The purpose of City Performance Plans is to enhance the budget as a tool that aids departments in focusing on, and managing for, intended results.

The lack of supporting documentation for the performance measures may deem the reported achievements of the program to be unreliable.

RECOMMENDATION

APD – Evidence Unit should ensure that documentation supports the measures reported in the City's Performance Plan.

RESPONSE FROM APD – EVIDENCE UNIT

"Concur: The automated source data used to report monthly performance measures will also be used to determine and report accumulative annual performance measures. Corrected 1 July 2008."

4. APD – EVIDENCE UNIT SHOULD IMPLEMENT FORMAL PROCEDURES FOR SOFTWARE USER ACCOUNT MANAGEMENT.

The Evidence Unit does not have a formal written process to document the authorization of additions, deactivations, and access changes to software users. The Property and Evidence Systems Administrator stated there is a chain of command to make changes to user access in the Evidence Unit software, however, there is not a written document that outlines the current process.

The Control Objectives for Information and related Technology (COBIT) recommends creating procedures to request, establish, issue, suspend and close user accounts. COBIT is an authoritative, international set of generally accepted information technology control objectives which include best practices.

With no formal written process in place to track authorization for changes to software user access, user privileges may be altered without correct authorization.

RECOMMENDATION

APD – Evidence Unit should implement formal procedures for software user account management.

RESPONSE FROM APD – EVIDENCE UNIT

"Concur: The Support Service Bureau Evidence Unit Standard Operating Procedure 3-04-9 will be supplemented with the following QTEL software security procedures for establishing and managing user accounts. Estimated procedural implementation date: October 2009, pending approval at the September 15, 2009, APD Policy and Procedure Review Board.

"3-04-9 B 4. QTEL software user requests will be forwarded to the Evidence Manager via inter office correspondence for approval. The memo should include the users name, date, requested action (access, deactivation/termination or access level) and a brief justification. The SED Systems Administrator and Evidence Supervisor are authorized full administrative privileges. A Senior Evidence Technician (appointed by the Evidence Manager) will be authorized administrative rights limited to adding/deleting warehouse locations and trouble-shooting known software issues with the QTEL software engineer. The SED IT Systems Administrator will make all approved access/changes in the QTEL System. The Evidence Supervisor will maintain an indefinite file of approved user access/change requests."

CONCLUSION

APD – Evidence Unit should regularly prepare and review a report of barcode numbers used to correct duplicate entries in the system. Performance Plan measures should have documentation that supports the reported achievements. APD-Fiscal should ensure monthly journal entries for the evidence cash account are prepared and posted in a timely manner. APD – Evidence Unit should implement formal procedures for software user account management. OIAI believes the recommendations noted above will help the APD – Evidence Unit and ADP - Fiscal be more accurate and efficient with regard to security and accountability of the evidence room inventory processes and procedures.

We appreciate the assistance and cooperation of APD personnel during the audit.

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Principal Auditor

REVIEWED:

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Audit Manager   Internal Auditor

APPROVED: APPROVED FOR PUBLICATION:

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