

City of Austin



**A Report to the
Austin City Council**

Mayor
Lee Leffingwell

Mayor Pro Tem
Sheryl Cole

Council Members
Chris Riley
Mike Martinez
Kathie Tovo
Laura Morrison
Bill Spelman

**Office of the
City Auditor**

City Auditor
Kenneth J. Mory
CPA, CIA, CISA, CRMA

Deputy City Auditor
Corrie E. Stokes
CIA, CGAP, CFE

AUDIT REPORT

Evidence Disposition Audit

April 2014



REPORT SUMMARY

Not all policies and procedures related to prior drug and firearm evidence disposition are aligned with state administrative code requirements or industry guidance. While we did not find evidence of tampering, theft, or misuse, current controls are not sufficient to provide reasonable assurance that these items are adequately protected. Also, the Purchasing Office has policies related to non-contraband items converted for police department use, but cannot provide reasonable assurance that these items are tracked, used, and disposed in accordance with City policy.

TABLE OF CONTENTS

BACKGROUND1

OBJECTIVE, SCOPE, AND METHODOLOGY1

AUDIT RESULTS.....2

Appendices

Appendix A: Management Response.....9

Exhibit

Exhibit 1: Not All APD Policies and Procedures Are Aligned with TAC Rule 13.1572

Exhibit 2: Not All APD Policies and Procedures Are Aligned with TAC Rule 13.1603

Exhibit 3: Not All APD Policies and Procedures Are Aligned with TAC Rule 13.1613

Exhibit 4: Prior Drug Evidence Storage Boxes Display Indications of Integrity and Seal Breach4

Exhibit 5: Not All APD Policies and Procedures Are Aligned with TAC Rule 13.1584

GOVERNMENT AUDITING STANDARDS COMPLIANCE

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.

AUDIT TEAM

Patrick Johnson, CGAP, CICA, Assistant City Auditor
Rebecca Takahashi, CGAP, Auditor-in-Charge
Margot Wilson, CFE, CGAP, CICA, Auditor-in-Charge
John Anthony Martin, Audit Intern

Office of the City Auditor

phone: (512)974-2805
email: oca_auditor@austintexas.gov
website: <http://www.austintexas.gov/auditor>

Copies of our audit reports are available at <http://www.austintexas.gov/auditor/reports>



*Printed on recycled paper
Alternate formats available upon request*

April 2014



Audit Report Highlights

Why We Did This Audit

This audit was conducted as part of the Office of the City Auditor's (OCA) FY 2013 Strategic Audit Plan.

What We Recommend

APD and the Purchasing Office should ensure that policies and procedures related to prior evidence items incorporate all applicable requirements and are clear, fully documented, and monitored as suggested in industry guidance.



For more information on this or any of our reports, email oca_auditor@austintexas.gov

EVIDENCE DISPOSITION AUDIT

Mayor and Council,

I am pleased to present this audit on evidence disposition.

BACKGROUND

After appropriate authorization has been received, the Austin Police Department (APD) Evidence Control Section manages the legal disposition of all prior evidence items coming into the possession of APD. The City's Purchasing Office, through Asset Services, is the designated purchasing agent that is authorized to assess the fair market value of non-contraband items to be sold at auction or converted for police department use.

OBJECTIVE AND SCOPE

The objective of the audit was to evaluate if there is reasonable assurance that prior evidence items are accounted for and disposed of properly according to state law, industry guidance, and departmental policies and procedures.

The audit scope included the disposition of drug, firearm, and converted non-contraband property managed by the City for FY 2012 and FY 2013.

WHAT WE FOUND

We found that not all policies and procedures related to prior drug and firearm evidence items are aligned with state administrative code requirements or industry guidance. We did not find evidence of tampering, theft, or misuse of these items. However, the controls in place are not sufficient to provide reasonable assurance that such items are adequately protected. Additionally, while the Purchasing Office has policies in place related to non-contraband items converted for police department use, we are unable to provide reasonable assurance that these items are being tracked, used, and disposed in accordance with City policy.

We appreciate the cooperation and assistance we received from APD and Purchasing staff during this audit.

Kenneth J. Mory, City Auditor

BACKGROUND

According to the Texas Code of Criminal Procedure, a Court or other appropriate legal magistrate can authorize a local law enforcement agency to return to its legal owner or destroy contraband, found, or otherwise forfeited property that is no longer held as evidence to be used in a pending case. Also, any abandoned, unclaimed, or found property that is not considered contraband and is no longer held as evidence can be delivered for disposition to a person designated by the municipality or the purchasing agent of the county in which the property was seized.

The Austin Police Department (APD) Evidence Control Section, under the Field Support Services Division, manages and disposes of prior evidence items. According to their policies and procedures, the Evidence Control Section provides for the safe storage and legal disposition of all evidence, found or abandoned property, and all seized property coming into the possession of APD. The City's Purchasing Office, through Asset Services, is the designated purchasing agent that is authorized to assess the fair market value of non-contraband items to be sold at auction or converted for police department use.

OBJECTIVE, SCOPE, AND METHODOLOGY

The Evidence Disposition Audit was conducted as part of the Office of the City Auditor's (OCA) Fiscal Year (FY) 2013 Strategic Audit Plan, as presented to the City Council Audit and Finance Committee.

Objective

The objective of the audit was to evaluate if there is reasonable assurance that prior evidence items are accounted for and disposed of properly according to state law, industry guidance, and departmental policies and procedures.

Scope

The audit scope included the disposition of drug, firearm, and converted non-contraband property managed by the City during FY 2012 and FY 2013.

Methodology

To accomplish our audit objectives, we performed the following steps:

- identified and compared relevant Texas Administrative Code (TAC) provisions, industry guidance, and City policies and procedures related to the disposition of prior evidence items;
- conducted interviews with APD Evidence Section and Purchasing staff;
- evaluated information technology controls related to the Versadex case management system and other spreadsheet systems used by APD and Purchasing staff;
- developed and validated process flow charts to identify current practices for the destruction or disposition of drug, firearm, and converted evidence items;
- conducted on-site observation of the drug destruction process, inventoried a full box of prior drug evidence, tested four drug samples, and evaluated results;
- inventoried all guns converted for police department use during the scope (28 items); and
- selected a judgmental sample of 59 out of 233 non-contraband property items converted for police department use based on item type and location and tested controls.

AUDIT RESULTS

We found that not all policies and procedures related to prior drug and firearm evidence items are aligned with state administrative code requirements or industry guidance. We did not find evidence of tampering, theft, or misuse of these items. However, the controls in place are not sufficient to provide reasonable assurance that such items are adequately protected. Additionally, while the Purchasing Office has policies in place related to non-contraband items converted for police department use, we are unable to provide reasonable assurance that these items are being tracked, used, and disposed in accordance with City policy.

Finding 1: Not all APD Evidence Control Section policies and procedures to dispose of drugs are in alignment with state law, industry guidance, and department policy and do not provide reasonable assurance that prior drug evidence is destroyed appropriately.

Related to prior drug evidence, we looked to Texas Administrative Code (TAC) requirements related to controlled substances and compared to APD Evidence Control Section policies, procedures, and our observations of the process.

DRUG DESTRUCTION POLICIES AND PROCEDURES

EXHIBIT 1

Not All APD Policies and Procedures Are Aligned with TAC Rule 13.157

TAC Rule 13.157 ¹ Requirement	APD Evidence Control Section
Law enforcement agency must adopt and strictly follow a written SOP for destruction	<ul style="list-style-type: none">Procedures for the entire process are not all documented in policiesNot all policies are strictly followed
In order to minimize the likelihood of pilferage or other unlawful diversion, SOP must include requirements that are reasonably likely to uncover discrepancy, loss, theft, or other potential diversion	Policies and procedures do not include requirements to uncover potential diversion after a drug is marked for destruction

SOURCE: OCA summary of TAC requirements and Evidence Control Section procedures, November 2013

In order to test for discrepancy, loss, theft, or other diversion, we requested that APD Forensics conduct qualitative testing of four prior drug evidence samples. The results indicated that the substances were consistent with previous testing and, while there were weight discrepancies, Forensics indicated that these discrepancies were within acceptable tolerance.

DRUG DESTRUCTION INVENTORY

TAC defines different requirements related to drugs that have and have not undergone laboratory analysis. Evidence Control Section policy requires that a destruction list be prepared and that Versadex, APD's case management system, include the box location for each individual drug items designated for destruction. The Evidence Control Section also keeps a separate spreadsheet listing the number of boxes and their approximate weight.

¹ Texas Administrative Code, Title 37, Part 1, Chapter 13, Subchapter G

EXHIBIT 2

Not All APD Policies and Procedures Are Aligned with TAC Rule 13.160

TAC Rule 13.160 Requirement	APD Evidence Control Section
<ul style="list-style-type: none"> ▪ Laboratory analysis – items should be inspected without breaking the seal to verify the nature, kind, and quantity as compared with the original submission as well as the status of the packaging and seal integrity ▪ No analysis – destruction inventory must include the relevant case or file number, name of the seizing personnel, a description the packaging, a description of the status of the packaging and seal integrity, and the count and weight of the item including the exact nature, kind, and quantity 	<ul style="list-style-type: none"> ▪ Staff does not differentiate based on laboratory analysis as required by TAC when preparing the drug inventory ▪ Inventory is recorded in Versadex system ▪ Not all individual drug items in Versadex are updated with a box number location ▪ Destruction inventory does not include a description of the packaging; a description of the status of the packaging and seal integrity; or the exact nature, kind, and quantity of the item

SOURCE: OCA summary of TAC requirements and Evidence Control Section procedures, November 2013

We conducted a physical inventory of a single box of drugs designated for destruction that included 149 individual prior evidence items and found two anomalies. The location of one item was not correctly reflected in the Versadex system and another item was associated with a different case number. Because not all information is being updated in the inventory system of record, a complete and detailed inventory would be difficult to produce.

DRUG WITNESS RESPONSIBILITY

Immediately prior to destruction, TAC requires that at least two witnesses examine each item sufficient to complete a destruction inventory and compare with a previous inventory. Again, the Evidence Control Section keeps the detailed inventory for each drug item in the Versadex system. The drugs are packaged and destroyed at the box level and a separate box inventory spreadsheet is created. However, as noted below, we did not observe that staff conducted a detailed examination or comparison at the box level.

EXHIBIT 3

Not All APD Policies and Procedures Are Aligned with TAC Rule 13.161

TAC Rule 13.161 Requirement	APD Evidence Control Section
<p>Immediately prior to physical destruction of an item, at least two witnesses must:</p> <ul style="list-style-type: none"> ▪ Examine each item sufficient to complete a destruction inventory ▪ Compare that inventory with a previous inventory of the item ▪ Examine each package for the integrity or breach of the package or seal ▪ Refuse to destroy an item that reasonably appears to have been tampered with or varies from its purported count or weight 	<ul style="list-style-type: none"> ▪ Boxes loaded for transport to the destruction facility not counted to compare against the number of boxes recorded in the box inventory spreadsheet ▪ Box inventory not used at the destruction vendor’s site to conduct final reconciliation ▪ Each box was not examined even though some had compromised integrity and breached seals ▪ Boxes with compromised integrity and breached seals were destroyed

SOURCE: OCA summary of TAC requirements and Evidence Control Section procedures, November 2013

As noted, we observed multiple boxes with compromised integrity or a breached seal which creates an opportunity for the drug contents to be accessed (see Exhibit 4). We commented on the condition of these boxes and Evidence Control Section staff attributed the situation to the lack of temperature or humidity control in the storage building. We noted that staff did not examine these boxes with any additional scrutiny.

EXHIBIT 4

Prior Drug Evidence Storage Boxes Display Indications of Integrity and Seal Breach



SOURCE: OCA observation of prior drug evidence preparation for destruction, November 2013

DRUG DESTRUCTION

APD utilizes a vendor to incinerate prior drug evidence. In addition to the TAC requirement that the incinerator is “suitable” and in compliance with applicable laws, the Evidence Control Section policy states that drugs are to be destroyed in an “approved and designated facility for destruction.” While APD may not be responsible for ensuring the vendor is compliant with relevant requirements, the Evidence Control Section policy seems to require some level of assurance that the facility is “approved and designated” for drug destruction.

EXHIBIT 5

Not All APD Policies and Procedures Are Aligned with TAC Rule 13.158

TAC Rule 13.158 Requirement	APD Evidence Control Section
<p>Destruction can be accomplished by burning in a suitable incinerator or another method as long as the destruction is performed in compliance with all relevant federal, state, and local laws and, if conducted by a private entity, the entity must hold and obtain applicable registration and permitting</p>	<ul style="list-style-type: none"> ▪ Management reported that the vendor meets these standards, but we did not see documentation supporting that the vendor is an “approved and designated facility” ▪ There is no formal contract agreement to ensure the vendor is in compliance with relevant requirements

SOURCE: OCA summary of TAC requirements and Evidence Control Section procedures, November 2013

INDUSTRY GUIDANCE

We also looked to industry guidance related to prior evidence handling and destruction procedures and practices. While APD is not required to follow the International Association of Property and Evidence (IAPE) Standards, these Standards provided guidance similar to the TAC requirements.

Drug Storage and Threshold for Destruction: The IAPE Standard related to drugs pending destruction states that they “should always be stored in a designated area that has an enhanced level of security in the property room.” Further, the entity’s “[p]olicy should define a threshold...to initiate the destruction process” which will “make all parties in the destruction process accountable and ensure that the [destruction] process occurs before the drugs become a target of theft.”

We observed that the prior drug evidence was kept in a storage building separate from the main facility. While the storage building had security controls, we were unable to determine if there was an “enhanced level of security” as compared to the main facility. Management reported that overcrowding in the evidence storage area of the main facility necessitated the use of the separate storage building. We found that Evidence Control Section policies do not have an established threshold to initiate the destruction process and noted that 20 months had passed between the two most recent drug destructions.

Destruction Documentation and Independent Witness: The IAPE Standard related to drug destruction documentation states that “[d]rugs pending destruction have the greatest likelihood of being pilfered from storage or during transportation to a destruction site, as there is generally no longer any interest in the item for prosecution.” The Standard calls for detailed documentation and protocols to ensure that an independent witness is able to validate that each item is destroyed. The Standard also states that “items awaiting destruction should never be documented as destroyed until the actual destruction has taken place.”

For drugs pending destruction, we found that the Evidence Control Section documents their status as destroyed in the Versadex system prior to actual destruction. Management indicated that they would explore the use of a different status category in Versadex, but noted that the system is not ideal for tracking purposes. Also, management reported that they do not utilize an independent witness to stage or validate drugs for destruction as suggested in the guidance.

Overall, these control weaknesses make it difficult to validate that all prior drug evidence intended to be destroyed is actually destroyed or to detect whether drugs have been stolen or otherwise compromised. In our discussions with management, the operational focus of the Evidence Control Section seemed to be on processes related to active evidence items, not prior evidence items. Also, we did not see detailed policies and procedures to guide the process or evidence of management-level monitoring that would help ensure that the process is executed in accordance with state requirements and aligned with industry guidance.

Finding 2: APD Evidence Control Section policies and procedures related to firearm destruction and conversion processes are not sufficient to ensure that all firearms are being disposed of as intended.

Related to prior firearm evidence, we looked to APD Evidence Control Section policies and procedures. APD policy notes that all firearms are to be destroyed or converted for departmental use. A firearm being converted to sworn personnel requires written approval from an Assistant Chief. Also, policy notes that all “found” firearms will be destroyed.

FIREARM CONVERSIONS

We tested all 28 firearms converted for department use during the scope period and were able to locate and account for each one. However, we found that the Evidence Control Section does not distinguish between “found” or “forfeited” firearms for conversion purposes. Management reported that the policy requiring all “found” firearms to be destroyed was in error and indicated that the policy will be changed to allow for the conversion of both “found” and “forfeited” firearms. Also, the firearm conversions made during the scope period were approved at a level lower than Assistant Chief. Management acknowledged that this was a deviation from policy and reported that corrective action would be taken. In addition, we noted that firearms converted for use by Ballistics had been marked as destroyed in Versadex when converted. We verified that the status of these firearms was changed to indicate they were converted for departmental use. Again, while there is a policy noting that firearms can be converted, we did not see detailed policies and procedures to guide the process and help ensure conversions are accomplished as intended.

FIREARM DESTRUCTION

We found that relevant process steps for items to be sent to the grinder (including firearms) are noted in three different sections of the policy and procedure manual. Policy states that the “make, model, serial number and involved case report number for any firearm is recorded in the property management computer system” and property being transferred for destruction will also be documented in Versadex. We randomly tested five firearms pending destruction and noted that three of the five did not have a serial number recorded in Versadex. We also sampled firearms pending destruction in January 2014 and found that their status in Versadex was marked as destroyed in August 2013. Evidence Control Section staff indicated that they mark firearms as destroyed in Versadex before actual destruction, then pull a destruction list from the system after the fact.

Firearm Storage and Threshold for Destruction: We also looked to the IAPE guidance related to firearms pending destruction. The Standard states that an entity’s policy should “define a



threshold when firearms that are pending destruction” should be destroyed and noted that the threshold could be based on calendar time or quantity. While we did not find a specific threshold in APD’s policy, that policy states that firearms “authorized for disposal are destroyed as necessary to conserve space and security of the weapon(s).” The lack of a defined threshold to trigger the firearm destruction process increases the risk of an over-accumulation of firearms in storage.

Management reported that in June 2013, the Evidence Control Section received a court order authorizing destruction of 322 firearms. They also noted that that the destruction has been a work in progress and is scheduled for April 2014.

In addition, APD policy notes that the “disposal of all firearms must be done through an approved disposal firm.” We found no formal agreement in place between APD and the firearm destruction firm. Management reported that there is no formal agreement because the firm does not charge the City and destroys the firearms as a service to the community.



Again, we noted that the operational focus of the Evidence Control Section seemed to be on processes related to active evidence items, not prior evidence items. Also, current policies and procedures lack a clear and fully documented process for requesting, authorizing, and receiving a converted firearm and ensuring firearms are destroyed as intended.

Finding 3: Purchasing Office Asset Services procedures do not provide reasonable assurance that converted property is tracked to ensure usage and disposal in accordance with City policy and industry guidance.

Related to the process of converting non-contraband items for police department use, we looked to City policies and IAPE guidance. Examples of these items include televisions, computers, tools, bicycles, and jewelry. IAPE guidance states that the entity should have a written policy and a third party such as a “Purchasing Director” should approve items of value. Also, the guidance states that the “property unit should maintain a permanent record of all property diversions” and that use of the property “must be for official purposes only; the practice of allowing employees to retain property for personal or non-governmental purposes should be prohibited.”

We found that City policy aligns with industry guidance by authorizing the Purchasing Office to review, approve, and convert prior evidence property for department use. In addition, Purchasing Office Asset Services staff is directed to perform a physical inventory of converted property on a semi-annual basis and report findings to management. Also, an APD policy notes that all property converted for City use will be returned to Asset Services when it is no longer needed.

In addition, Asset Services is conducting fair market value assessments for items of value and is present for the transfer of converted items. However, Asset Services, not the “property unit,” is the permanent record holder and is responsible for tracking converted property. While there is policy and guidance explaining the process, several APD staff reported being unaware that converted property should be returned to Asset Services. Also, we found that items are not consistently returned when no longer needed which could include items of value that could be sold.

In addition, we found that Asset Services staff utilizes a spreadsheet tracking system, but does not perform physical verifications of converted items as indicated in policy. Staff reported that the process was time consuming and, instead, utilizes e-mail to contact APD staff. However, APD staff

does not consistently communicate the status of converted items. From a population of 233 items, we selected a judgmental sample of 59 to conduct a physical inventory test and found that 12 of the 59 items (20%) were in the possession of the original requestor. In the other instances, we found that the original requestor had transferred within the department, sometimes multiple times, or was no longer a City employee. Despite this limitation, we made a reasonable attempt to track the items and were able to match 40 of the 59 items (68%) to a serial number or other identification label. While we did not see any evidence of fraud, waste, or abuse, our testing indicates that Asset Services cannot provide reasonable assurance that all the converted items it tracks are being used and disposed in accordance with City policy.

RECOMMENDATIONS

The recommendations listed below are a result of our audit effort and subject to the limitation of our scope of work. We believe that these recommendations provide reasonable approaches to help resolve the issues identified. We also believe that operational management is in a unique position to best understand their operations and may be able to identify more efficient and effective approaches and we encourage them to do so when providing their response to our recommendations. As such, we strongly recommend the following:

- 1. The Austin Police Department should ensure that policies and procedures related to drug disposition incorporate all the applicable requirements outlined by the Texas Administrative Code and are clear, fully documented, and monitored as suggested in industry guidance.**

MANAGEMENT RESPONSE: **Concur.** Refer to Appendix A for management response and action plan.

- 2. The Austin Police Department should ensure that policies and procedures related to firearm destruction and conversion are clear, fully documented, and monitored to ensure that firearms are disposed of as intended.**

MANAGEMENT RESPONSE: **Concur.** Refer to Appendix A for management response and action plan.

- 3. The Purchasing Office should work with APD to determine an appropriate, feasible, and economical process to track non-contraband items and implement clear, fully documented policies and procedures that communicate roles and responsibilities, including monitoring, to ensure that the process is working as intended.**

MANAGEMENT RESPONSE: **Concur.** Refer to Appendix A for management response and action plan.

MANAGEMENT RESPONSE - AUSTIN POLICE DEPARTMENT



MEMORANDUM


Austin Police Department
Chief's Office

TO: Kenneth J. Mory, City Auditor
FROM: Art Acevedo, Chief
DATE: April 22, 2014
SUBJECT: City of Austin Audit Response

The Austin Police Department has reviewed this report and concurs with the noted findings. The Evidence Control Section strives to provide the highest level of care, custody and control over all evidentiary and non-evidentiary property in inventory. Steps this section has undertaken to ensure the security of evidence include implementing a dual access procedure for secure storage areas, requiring supervisory oversight for access to secure areas, and the inclusion of Materials Management into the conversion of property to Department usage process. Although the Evidence Section has initiated these and other measures, there are still gaps in the process which the audit has identified and we will take the necessary steps to address these issues.

The Evidence Control Section has thirteen staff members and they manage an inventory of over 650,000 items of evidence with yearly increases of 75,000 and 80,000 items respectively for the past two years. Evidence is stored and managed at two storage facilities. Additionally, the Evidence Control Section personnel provide support to the sworn staff by picking up submitted property at seven unmanned evidence submission points, responding to event locations as needed, and providing customer service to those who need to pick up items from the evidence warehouse. The Evidence Section receives approximately 5,500 new items of evidence each month while handling thousands of property transfers in and out of the section for investigative purposes such as lab analysis, follow up investigation, court presentation, and warehouse management.

Our attached action plan outlines the steps we will take to ensure our policies and practices are compliant with the Texas Administrative Code.


Art Acevedo, Chief
Raul Dominguez

APPENDIX A

ACTION PLAN - AUSTIN POLICE DEPARTMENT

Rec #	<u>Recommendation</u>	Concurrence and Proposed Strategies for Implementation	Status of Strategies	Proposed Implementation Date
01	<p>The Austin Police Department should ensure that policies and procedures related to drug disposition incorporate all the applicable requirements outlined by the Texas Administrative Code and are clear, fully documented, and monitored as suggested in industry guidance.</p>	<p>Department Concurs –</p> <ul style="list-style-type: none"> • Staff will review all applicable requirements required by law and revise Department Policy and/or Unit SOP's to clearly outline the drug disposition process. • Work with CTM and Versaterm to generate inventory reporting that meets the requirements of state statute. • Implement a random sampling of items pending disposal by a party outside of the Evidence Unit to provide oversight and verify integrity of items to be disposed. • Implement "triggers" to initiate the coordination of a disposal trip • Continue to request funding for a high security narcotics storage facility for storage of active cases as well as items pending destruction 	<p>Planned</p> <p>Underway</p> <p>Planned</p> <p>Planned</p> <p>Underway</p>	<p>August 2014</p> <p>October 2014</p> <p>August 2014</p> <p>August 2014</p> <p>Ongoing</p>

APPENDIX A

ACTION PLAN - AUSTIN POLICE DEPARTMENT

Rec #	<u>Recommendation</u>	Concurrence and Proposed Strategies for Implementation	Status of Strategies	Proposed Implementation Date
02	The Austin Police Department should ensure that policies and procedures related to firearm destruction and conversion are clear, fully documented, and monitored to ensure that firearms are disposed of as intended.	Department concurs- <ul style="list-style-type: none"> <li data-bbox="782 426 1000 594">• Review and modify policy to more accurately outline the firearms disposal process <li data-bbox="782 600 1000 793">• Provide clear training resources to ensure accurate and consistent data entry into Versadex <li data-bbox="782 800 1000 1024">• Ensure conversion authorization is consistent with Section SOP's, such as approval by an Assistant Chief of Police <li data-bbox="782 1031 1000 1423">• Implement random sampling of firearms pending destruction by a party outside of the Evidence Unit to ensure firearms are disposed of appropriately without tampering or theft. <li data-bbox="782 1430 1000 1577">• Implement "triggers" to initiate the coordination of a disposal trip 	Planned Planned Implemented Planned Planned	August 2014 August 2014 Complete August 2014 August 2014

MANAGEMENT RESPONSE - PURCHASING OFFICE



MEMORANDUM

TO: Kenneth J. Mory, City Auditor
FROM: Elaine Hart, CPA, Chief Financial Officer
DATE: April 21, 2014
SUBJECT: Evidence Disposition Audit

A handwritten signature in blue ink, appearing to read "Elaine Hart", is written over the "FROM:" line of the memorandum.

The Purchasing Office of the Financial Services Department submits this management response to the Audit Report titled "Evidence Disposition Audit". Purchasing Office staff and I concur with Audit Report recommendation #3, and have developed an implementation action plan.

The Purchasing Office will initiate a review and update of existing policies and procedures for monitoring property converted for Austin Police Department (APD) usage. As part of this update, the Purchasing Office will work with APD staff to revise the roles and responsibilities section to provide clear guidance. Also envisioned in the update, converted items will be classified as either "depreciable" or "intrinsic-value", based on the expected value over time of the asset category the item falls under, so that the proper oversight for the asset category may be provided.

Thank you for the opportunity to provide this response. Financial Services appreciates the work of the Office of the City Auditor on this audit and welcomes the recommendations. Please feel free to contact me if you have any questions or concerns.

Cc: Marc A. Ott, City Manager
Michael McDonald, Deputy City Manager

APPENDIX A

ACTION PLAN - PURCHASING OFFICE

Rec #	Recommendation	Concurrence and Proposed Strategies for Implementation	Status of Strategies	Proposed Implementation Date
03	<p>The Purchasing Office should work with APD to determine an appropriate, feasible, and economical process to track non-contraband items and implement clear, fully documented policies and procedures that communicate roles and responsibilities, including monitoring, to ensure that the process is working as intended.</p>	<p>Concur.</p> <p>The Purchasing Office will initiate a review and update of existing policies and procedures for monitoring property converted for APD usage. As part of this update, converted items will be classified as either "depreciable" or "intrinsic-value", based on the expected value path over time of the asset category the item falls under. Tracking and verification of depreciable items will be incorporated into APD's existing asset inventory process, and the Purchasing Office will track and verify the inventory of intrinsic-value items in accordance with the documented verification procedure.</p>	Planned	7/31/2014