

Sonoma County

Auditor-Controller-Treasurer-Tax Collector

Internal Audit Report

**Internal Audit:
Sonoma County Sheriff's Office
Evidence Room**

For the Fiscal Year Ended
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Executive Summary

As a part of the 2019-2020 Audit Plan, the Internal Audit Division of the Sonoma County Auditor-Controller-Treasurer-Tax Collector's Office (Internal Audit) audited the internal controls over the Sonoma County Sheriff's Office Evidence Room.

Based on the work we performed, we found the system of internal controls over the Sonoma County Sheriff's Office Evidence Room is properly designed, except as discussed below:

Current audit findings:

1) Opportunity to Enhance Evidence Room Access Controls:

The Sheriff's Office should implement a policy that restricts access to the evidence room to staff who access in order to perform their assigned duties. Periodically, the list of staff allowed access should be review and individuals who no longer need access to evidences should be removed from the list.

2) Opportunity to Enhance Controls Over Evidence Retention:

The Sheriff's Office should implement procedures to identify and dispose of evidence room items for which legal retention periods have expired.

3) Opportunity to Enhance Monitoring of items checked out of Evidence Room:

The Sheriff's Office should develop policies and procedures specifying how long items can be checked out and monitoring procedures for checked out items to reduce the risk of items becoming lost, stolen or otherwise disposed of not in compliance with the law.

4) Opportunity to Enhance Disaster Recovery Plan:

The Sheriff's Office should develop a disaster recovery plan to safeguard against destruction of evidence and related records and systems in the event of a disaster.

Status of prior audit observations and recommendation:

An audit of the Evidence Room was completed in 2010. There were four observations related to this audit.

1. Database Integrity
2. Chain of Custody
3. Sales of Evidence/Property
4. Destruction of Weapons/Drugs

All of the recommendations associated with these observations have been implemented. Further detail on these observations and recommendation can be found at the end of the report.

Introduction, Background, Objective, Scope and Methodology

Introduction

Internal Audit conducted an audit of internal controls over the Sonoma County Sheriff's Office Evidence Room in accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*. These standards require that we identify, analyze, evaluate, and document sufficient information and evidence to achieve our audit objectives. We believe that the evidence obtained during this audit provides a reasonable basis for the results, findings, and recommendations contained in this report.

The primary purpose of our engagement is to furnish management independent and objective analyses, recommendations, and other information concerning the activities reviewed. The audit report is a tool to help management identify areas that do not meet the Standards and implement improvements.

Background

The Property/Evidence Unit receives, catalogs, safely stores, and maintains the integrity of evidence, found property, and property held for safekeeping. This Unit also has the legal obligation to restore evidence/property to rightful owners or facilitate the legal disposition of evidence/property in the Sheriff's Office possession.

Objective

- 1) Documented policies and procedures and applicable Government and Penal codes are being adhered to by Evidence Room personnel
- 2) Evidence room records are accurate and maintained in accordance with policies and procedures

Scope

- Conduct a preliminary survey to update our knowledge of the operating environment; identify changes in laws and regulations, systems, personnel and organization structure
- Perform a risk analysis to identify significant risks of non-compliance with policies, procedures or laws, loss or misuse of assets and inefficiencies in processes
- Review and evaluate internal controls designed to ensure compliance with the above requirements and to adequately reduce the risk identified
- Perform tests of compliance to gain assurance that the internal control system is functioning as intended and is achieving its design objectives

Methodology

We reviewed the well documented policies and procedures for the Evidence Room and performed walkthroughs and reviews of key internal controls. The walkthroughs included a physical walkthrough of the two Evidence Rooms, reviewing relevant documentation, inquiry, and observation of Sheriff's staff involved in the processes under audit. In addition, testing was performed to ensure that evidence

Results and Current Audit Findings

sampled showed the chain of custody, description of items were detailed and evidence was in the location specified. Also, a review of items that were past retention date and items that were checked out for various reasons were evaluated.

Results

The Evidence Room has an adequate system of controls in place to ensure that when evidence is received it is properly and safely stored.

Internal Audit found extensive documented guidelines in place for employees to follow if they have questions about how to store evidence. When samples were selected to confirm that items were being stored correctly and the chain of custody was in place, 100% of samples tested were located and no exceptions were noted. However, there were four findings associated with the Evidence Room audit listed below.

Current Audit Findings

Finding #1: Opportunity to Enhance Evidence Room Access Controls: Risk Classification C: Control Findings

The Evidence Room is accessible to more employees than those who need access in order to perform their assigned functions. The risk that items will be lost, stolen or otherwise improperly disposed increases as the number of individuals provided access to them increases. Additionally, the larger the number of individuals who have access to items, the more difficult it becomes to fix responsibility in the event an item is missing.

Recommendation #1:

The Sheriff's Office should develop policies and procedure to ensure access to the evidence room is provided only to staff who need access to perform their assigned duties.

Management Response #1:

Sheriff's Management agrees with this recommendation and is developing a process to establish, remove, and regularly monitor access to the evidence room. These deliverables will be implemented no later than November 1, 2020.

Finding #2: Opportunity to Enhance Controls Over Evidence Retention: Risk Classification C: Control Finding

State Code sets the retention periods of items held by the Sheriff as evidence. Some items are required to be destroyed and other items are to be returned to the right full owner after the retention period expires. The property owner has up to a year to retrieve items after the retention period is over.

Results and Current Audit Findings

After one year, the items will either be disposed or auctioned off. According to FileOnQ, the Sheriff's Evidence Room database, there are around 46,000 items that have passed the retention period. These items have not been reviewed to determine if they should be disposed or continue to be held. Some of these items were flagged for review as early as 2008.

Due to resource limitations, the office has not been able to perform such reviews in a timely manner.

There are a number of risks associated with not disposing evidence room items in a timely manner. The Sheriff's Office may not be in compliance with the law, by incurring unnecessary storage costs or depriving the rightful owner(s) their asset(s).

Recommendation #2:

A thorough review of items on the past retention review date report should be performed, either to confirm the item should be retained, or destroyed or returned to the owner as required by law. Additionally, a monitoring control should be established to timely review the retention and proper removal of items held as evidence.

Management Response #2:

Sheriff's Management agrees with this recommendation. When the Property Evidence Unit is fully staffed, unit employees are usually able to keep up with retention review on a regular basis. However, during FY 19-20, a backlog developed as a result of numerous vacant positions. While some cases date back to 2008, this does not represent a chronological backlog. Staff do not purge evidence based on date. The purging is based on a variety of factors such as locating individuals eligible to receive the property (which can be very difficult and time consuming), consulting outside agencies as required by law, obtaining proper authorizations, and sending required notifications to various parties. If the staffing challenges continue over the next year, and the backlog increases, the Bureau Manager will draft a proposal requesting extra staffing to address the backlog, assuming personnel and financial resources are available to assist with evidence past retention periods.

Finding #3: Opportunity to Enhance Monitoring of items checked out of Evidence Room: Risk Classification C: Control Finding

Approximately 600 items were checked out of the evidence room at the time of our audit. Some items on the list have been checked out since 2008. There are no formally established lengths of time an item may be 'checked out' of the evidence room.

Items may be checked out for various reasons including being sent to the District Attorney, forensic labs, or brought to court. Movements of an item are logged into FileOnQ to show the location of the item, the individual who has custody and the purpose for which the item was checked out. No monitoring is performed to ensure the checked out items are returned to the evidence room in a timely manner. The

Results and Current Audit Findings

Sheriff's Office has not established any time limits within which checked out items should be returned. Even though there is a chain of custody in place when items are checked out there is a risk that items that are not safely in the Evidence Room may be lost or contaminated.

Recommendation #3:

The Sheriff's Office should develop policies and procedures around checking out of items including how long items can be checked out and periodic monitoring and follow up. Monitoring reports could be run on a quarterly basis to verify the location of checked-out items and determine if the item should be returned.

Management Response #3:

Sheriff's Management agrees with this recommendation. Several steps are being implemented to address this finding:

1. The Sheriff's Investigation's Lieutenant is reviewing the list of items currently checked out of the evidence room. It should be noted that one case typically has numerous items. If a case is still in the court process, it is not unusual for a large volume of items to be checked out.
2. The Sheriff's Investigations Lieutenant is working with the Bureau Manager to establish a process that requires a documented checkout of property. The process will identify the person checking out the property, the reason, and specify a not-to-exceed return date. The person taking the property will be required to renew their request if they need the evidence beyond the return date. A formal follow up / review process for Property staff will also be put in place to monitor the status of items checked out.

Finding #4: Opportunity to Enhance Disaster Recovery Plan: Risk Classification C: Control Finding

A disaster recovery plan should be in place to ensure that key evidence can be quickly removed, transported and relocated in the event of a disaster. Currently, there are no disaster recovery policies and procedures in place for the evidence room. In the event a disaster occurs evidence may be destroyed. A disaster recovery plan should provide a roadmap so that employees know what to do with evidence in an event of a disaster. Without a clear roadmap of how to handle evidence during a disaster, employees may be unable to safeguard and relocate evidence. If evidence is lost during a disaster it could be damaging for cases that rely on the evidence for a conviction. The Sheriff's Office has a legal responsibility to preserve and protect the evidence and if the evidence is lost, damaged or destroyed it could result in an inability to prove or defend prior, current and future court cases.

Results and Current Audit Findings

Recommendation #4:

Create a disaster recovery policy and procedure to ensure the continuity of evidence in the event of an emergency or a disaster:

- Develop procedures to address the removal, transportation, and relocation of evidence in the event of evacuation, including a method for tracking each item.
- Identify an appropriate alternate evidence storage facility in the event an evacuation is necessary that includes enough room and security to accommodate the evidence function for an extended period of time. A tracking system should be in place to ensure all evidence is accounted for during removal, transportation, and relocation. Security measures should be considered during the transport to alternate sites.

Management Response #4:

Sheriff's Management will review this recommendation and assess the feasibility of relocating evidence. If feasible, the Sheriff's Office will secure an alternate storage facility and develop security measures.

Prior Audit Observations

Status of prior audit observations

Observation: Database Integrity

During fieldwork performed October 14, 2010 it was discovered that some of the item descriptions documented in the case files by the deputy or investigator in charge of the case were not detailed enough to support the actual item physical appearance. For example, there was a case file where the deputy describes seizing a wallet with “\$20 bills inside” but the Evidence Room database lists “currency/coin legal tender \$160” as the description.

We also identified that an item from the Evidence Room database that was selected for testing did not get itemized or mentioned by the deputy in the Investigation Report within the case file and therefore we cannot confirm that the item is being attributed to the correct case.

Lastly, we identified a case where the deputy input \$1,037 within the Evidence Room database as the amount of currency seized. The deputy also called out \$1,037 within the actual investigation report but the Sonoma County Sheriff's Department Currency Inventory Sheet prepared and signed by the same arresting deputy identified \$1,017.

Recommendation: We recommend that deputies and investigators provide more detail when creating their investigation reports by itemizing all items seized or found to assist with the identification and disposition of items placed into the Evidence Room. For example entering “seized \$160 cash” instead of “seized \$20 bills from a wallet” would assist with ensuring the correct item is being addressed. We also recommend that a review of the items placed into the Evidence Room database by the deputies and investigators be performed to ensure that item descriptions are consistent.

Status: Implemented

When currency is taken as safekeeping or evidence, deputies are required to fill out a tally sheet listing the currency denomination and attach it to the packaged currency.

Observation: Chain of Custody

During fieldwork performed October 13, 2010, we identified an item in the Evidence Room database that was not physically located at the location specified. Upon further investigation we determined that the item had been transferred to the Sheriff's Civil Bureau on September 9, 2010 but had not yet been updated within the Evidence Room database.

It was also discovered during fieldwork that there is a field in the Evidence Room database that identifies when the property was collected or seized. We identified several items where the Chain of Custody record did not begin until weeks after the collection date. Per discussion with

Prior Audit Observations

Evidence Room staff, not all deputies utilize the computer terminals at their substations to input the seized or found property into the database so the Chain of Custody does not begin until the items are brought to the main Evidence Room.

Recommendation: We recommend that item movements within and out of the Evidence Room get updated immediately within the Evidence Room database.

We also recommend that the Chain of Custody be established at the time of item seizure, whether the items were taken to a Sheriff substation or the main office in order to maintain the integrity of item control.

Status: Implemented

The chain of custody in FileOnQ begins when the deputy creates the items. Each time an item moves it is tracked.

Observation: Sales of Evidence/Property

During fieldwork performed October 25 and November 3, 2010, we determined that there is a lot of Evidence Room staff judgment and discretion used when determining which items may be released for sale at auction.

We reviewed a few Authorizations within the case files that stated to destroy all items but the items were released to auction instead. Per discussion with Evidence Room staff, just because the Authorization states to destroy all items it is at their discretion whether an item is of value and can be sold at auction even though the Authorization states to destroy the item.

We also identified several case files that did not have an Authorization prepared by the Sheriff's deputy or investigator in charge of the case. Evidence Room staff stated that for many items there is no need for an Authorization to be prepared as some items seized were a violation of the terms of the owner's probation or felon status and therefore could not be returned to the owner anyways. Once again, these items were disposed of in a manner that the Evidence Room staff determined to be reasonable and in these instances the Evidence Room staff released the items for sale or auction.

Lastly, we identified a couple of case files that did not have a Property Release letter notifying the owner that the items were available for pick-up. Evidence Room staff stated that for these particular cases, the items were either found, seized from a felon or individual on probation that were not legally allowed to possess the items, or seized from a suspected burglar or robber where the owner was not known.

Recommendation: We recommend that a formal policy and procedure manual be established that addresses each possible scenario for releasing items for sale at auction in order to mitigate the risk of inconsistent application of procedures.

Prior Audit Observations

If creating a formal policy is not cost effective, we recommend that Authorizations be fully populated by the deputy or investigator in charge to include the item number being authorized for sale to assist with the identification of items to be pulled and to remove the possibility of Evidence Room staff releasing the wrong items.

Status: Implemented

There are written procedures to identify the type of property auction companies will accept and procedures listing particular level of crimes that need to be authorized by deputies for disposal. Release letters are sent when appropriate.

Observation: Destruction of Weapons/Drugs

During fieldwork performed October 14 and 20, 2010, we determined that similar to the release of items for sale at auction, there is a lot of Evidence Room staff judgment and discretion used when determining which items may be destroyed.

We identified several case files for items that had been destroyed that did not have an Authorization prepared by the Sheriff's deputy or investigator in charge of the case. Again, Evidence Room staff stated that for many items there is no need for an Authorization as the items were in the possession of a felon or an individual on probation and therefore the items were a violation of the terms of their probation or felon status. These items can be disposed of in a manner that the Evidence Room staff sees fit. This was very evident when we identified one Authorization prepared by the Sheriff's deputy or investigator in charge that had a circle around the "destroy all items" and a line through the "release all items" where the Evidence Room staff released some items and destroyed others.

We also identified one item where there were notes in the case file that stated an Authorization was sent to a deputy but the Authorization was either lost or had not been returned and therefore there was no support for the action taken.

There were also items where the Court Orders did not specifically call out the items being destroyed. In those cases, Evidence Room staff stated that if items are not listed under the Court Order as being available for release to the owner, the remaining items can be disposed of by destruction, released to auction for sale, or issued to the Sheriff's Department for their use.

Recommendation: We recommend that a formal policy and procedure manual be established that addresses each possible scenario for releasing items for destruction in order to mitigate the risk of inconsistent application of procedures. If creating a formal policy is not cost effective, we recommend that Authorizations be fully populated by the deputy or investigator in charge to include the item number(s) being authorized for destruction to assist with the identification of items to be pulled and to remove the possibility of Evidence Room staff destroying the wrong items.

Prior Audit Observations

We also recommend that the Authorization wording be changed from “Destroy” to “Dispose” in order to eliminate any confusion regarding why items identified for destruction were released to sell at auction.

Status: Implemented

The Evidence unit utilizes an excel spreadsheet to keep track of disposition authorizations being sent out to allow the unit to easily follow up with the appropriate deputy to ensure dispositions are unlikely to fall through the cracks. When a property sheet is placed in the disposal tray, items that may be potentially returned or need to be retained are left off the property sheet to reduce the chance of disposing of an incorrect item

Staff Acknowledgement

We would like to thank the management and staff of the Sheriff's Office for their time, information, and cooperation throughout the audit.

Appendix A- Report Item Risk Classification

For purposes of reporting our audit findings and recommendations, we classify audit report items into three distinct categories to identify the perceived risk exposure:

- **Risk Classification A: Critical Control Weakness:**
Serious audit findings or a combination of Significant Control Weaknesses that represent critical exceptions to the audit objective(s), policies, and/or business goals of a department/agency or the County as a whole. Management is expected to address Critical Control Weaknesses brought to their attention immediately.
- **Risk Classification B: Significant Control Weakness:**
Audit findings or a combination of Control Findings that represent a significant deficiency in the design or operation of internal controls. Significant Control Weaknesses generally will require prompt corrective actions.
- **Risk Classification C: Control Findings:**
Audit findings concerning internal controls, compliance issues, or efficiency/effectiveness issues that require management's corrective action to implement or enhance processes and internal controls. Control Findings are expected to be addressed within our follow-up process of six months, but no later than twelve months.

The current status of implementation of recommendations will be followed up no later than the end of the second fiscal year after the report has been issued. Critical control weakness findings will be followed up between six months and one year of the date of the report.