



# JACKSON COUNTY

*Oregon*

## Internal Audit Report

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### Jackson County Sheriff Department

**PROPERTY AND EVIDENCE ROOM INVENTORY RECORDS ARE COMPLETE AND ACCURATE; HOWEVER, CONTROLS COULD BE ENHANCED**

**August 19, 2014**

Presented to the  
Jackson County Board of Commissioners  
by the  
Internal Audit Program

**Audit Team**

**Eric Spivak, County Auditor  
Tanya Baize, Senior Auditor  
Nicole Rollins, Senior Auditor**



**JACKSON  
COUNTY**  
*Oregon*

**MEMO**  
INTER - OFFICE

**Internal Audit**

**Eric Spivak**  
*County Auditor*

10 S. Oakdale, Room 214  
Medford, OR 97501  
Phone: (541) 774-6021  
Fax: (541) 774-6705  
SpivakER@jacksoncounty.org

To: Board of Commissioners  
From: Eric Spivak, County Auditor *ce*  
Subject: Property and Evidence Room Audit  
Date: 8/19/14

The attached report presents the results of an audit of the Sheriff's Property and Evidence Room. The audit was added to the fiscal year 2013-14 audit plan at the request of the Sheriff. On a periodic basis, Internal Audit is asked to audit the Property and Evidence Room to ascertain whether property and evidence is accounted for.

The audit was performed with the objectives of:

- Determining if property and evidence is appropriately accounted for and whether inventory records are accurate; and
- Determining if there are any issues pertaining to property and evidence needing to be addressed by management.

The audit team concluded that property and evidence is accounted for and that inventory records can be relied upon. No major concerns were identified during the course of the audit, though the audit team did identify opportunities to enhance the reliability of the inventory management system.

The report findings and recommendations were reviewed by the Sheriff and his Support Services Bureau Captain. They agree with the suggested recommendations.

The Internal Audit Program appreciates the cooperation and assistance received from the Sheriff and staff throughout the course of the audit.

C: Audit Committee  
Mike Winters, Jackson County Sheriff  
Moss Adams, Certified Public Accountants

# PROPERTY AND EVIDENCE ROOM INVENTORY RECORDS ARE COMPLETE AND ACCURATE; HOWEVER, CONTROLS COULD BE ENHANCED

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**Audit Authority** We conducted our audit in accordance with Codified Ordinance 218 pertaining to the County Auditor. This audit was added to the fiscal year 2013-14 Internal Audit Plan at the request of the County Sheriff, Mike Winters.

**Compliance with Government Auditing Standards** We conducted this performance audit in accordance with generally accepted government auditing standards. These 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.

**Confidential or Sensitive Information** We did not withhold any information from this report because it was considered confidential or sensitive.

**Audit Objectives** The objectives of our audit were to:

- Determine if property and evidence is appropriately accounted for and whether inventory records are accurate; and
- Determine if there are any other issues pertaining to property and evidence needing to be addressed by management.

**Audit Conclusion** Property and evidence is accounted for and records can be relied upon. However, steps can be taken to enhance the reliability of the inventory management system.

**Audit Background** The Jackson County Sheriff’s Department Criminal Investigation Division is responsible for property and evidence management. A standard operating procedure, SOP 3.8 - Property/Evidence Procedure, has been adopted for this function. Its purpose is to ensure that the department’s integrity is maintained with respect to seizure, control and disposition of evidence and other property and that complete and accurate records are maintained. At the time the audit was being completed, the SOP was being revised.

A Property Inventory Record (PIR) is completed when a deputy seizes or otherwise takes into custody property and evidence. The property and paperwork are turned into the evidence room for recordation and storage.

One full time Property & Evidence Clerk maintains the inventory and performs related work as required. A second employee is currently being trained to act as a back-up clerk.

The Property & Evidence Clerk's duties include the following:

- Receiving, preserving, labeling, transporting, and storing evidence and property.
- Releasing evidence and property according to prescribed policy.
- Disposing of narcotics, paraphernalia, and miscellaneous property at industrial sites or at sanitary disposal service facilities.
- Maintaining accurate records in accordance with Oregon law, decisions, county policy, and department procedures.
- Providing evidence and testimony in court when required.
- Obtaining court orders as necessary for evidence and property release or destruction.

In 2009 the Criminal Investigation Division replaced its paper tracking system with a bar code based evidence tracking system by QueTel. The system makes it easy to receive and enter property and evidence into the computer, track items using bar codes as they are moved in and out, and retrieve information in either screen queries or reports. Per the QueTel system, the Division is in control of 7,320 items as of February 2014, which includes 2,276 new items processed in 2013. Including items that have been disposed of and returned to owner, there are 24,000 records in the QueTel system.

### ***Audit Scope and Methodology***

Focus of the audit was on determining if inventory records provide a complete and accurate recording of the property and evidence inventory. The scope was limited to the current inventory.

Our primary procedures included:

- Selecting a sample of items located on the shelves and then reviewing the associated PIR paper record and QueTel entry to verify both record and QueTel entry accurately describe the item and that the correct shelf location was entered into QueTel.
- Selecting a sample of items from QueTel and then verifying that the location recorded in QueTel agreed with the physical location of the item and that it was accurately described.
- Selecting a sample of PIR records and then tracing the item from the paperwork to QueTel and then to the items located on the shelves.
- While conducting the tests above, we also verified that all inventory items we inspected were properly sealed and that chain of custody records were complete.

### ***Audit Results***

We found the following:

#### **1. Inventory records are generally complete and accurate.**

We found no discrepancies between the physical location and description of items with the QueTel data. Items were located where reported and as

described in QueTel. Similarly, for every item we selected from the shelves, we found an accurate entry in QueTel. There are a few minor systemic inconsistencies, which we discuss later in this report.

In conducting our review, we did find that there is no systemic process for monitoring items categorized as “checked out.” Items may be sent to the District Attorney, the forensics laboratory, or brought to court. Movement of the item is logged into the QueTel system so that movement and current location are documented.

We believe it would be beneficial to establish a monitoring and review process to ensure that these items don’t become lost, forgotten, or miss-recorded. For example, a report of “checked out” items could be run on a quarterly basis and then used to identify and verify the location of items checked out for a greater than expected time frame.

**2. Audits of stored property, evidence, and procedures are not occurring per SOP 3.8.**

Section 14 of the SOP states:

*“The Criminal Investigations Divisions Supervisor shall cause a periodic audit of stored property, evidence, and procedures. An audit report shall be filed and maintained in the administrative files at least annually. On an annual basis the county’s auditor may also conduct an unannounced audit.”*

The Supervisor has not been conducting periodic audits. However, Internal Audit conducted an audit in 2010 and follow-up audit work was performed in 2012.

**3. Controls over use of the QueTel system should be enhanced.**

Controls are needed to ensure the integrity of the data in the QueTel system. Standard controls that any system should have include controls that:

- a. Limit the ability of “who can do what.” This is referred to as User Access Levels and standard practices include limiting access levels based on the needs of the position and segregating certain duties. For example, employees in a certain job category may be given the access to view data and reports but not to input, change, or delete data. This is referred to as “read only access.” Others may be granted “read and write access.” At the highest level, only specific individuals should be granted “supervisor access” (sometimes referred to as super-user access) which provides the ability to perform certain administrative

tasks such as granting access to other individuals, changing user access levels, creating and editing reports, and creating or changing system edits. Typical segregation practice is to grant “supervisor access” to individuals not involved in the day-to-day operations and system use.

- b. Establish the practice of producing and monitoring “exception reports”, which are used to alert the appropriate personnel of data input, changes, and deletions that meet specified criteria. All standard systems create a record of additions, changes, and deletions to data, which is referred to as an “audit trail.” That audit trail and other saved data, such as description and location of inventory items, can be used to generate exception reports. An example of an exception report would be a report that lists inventory records that were deleted or changed during the month.
- c. Assign responsibility for reviewing the exception report to an individual who is not involved in the day to day operations or has access to the property and evidence.

The Property & Evidence Clerk has the ability to change and delete inventory records, which is appropriate given her job responsibilities, but it creates certain risks. To compensate, a monthly exception report should be produced that lists any piece of property or evidence for which the data record was deleted or changed during the month and by which user. An appropriate individual should be assigned responsibility for reviewing the report.

Furthermore, the Property & Evidence Clerk has “supervisor access” which provides her with the ability to perform many tasks. As such, care is needed to ensure that no segregation of duty issues arise, which can be a challenge when staff size is limited. A general review of all user access rights should be conducted and access levels defined to ensure all employees have the appropriate user rights and that, as needed, compensating controls are developed and implemented.

#### **4. The reliability of the QueTel system data could be improved upon.**

The QueTel data had some inconsistencies, which we found to be insignificant since they did not interfere with the ability to locate inventory items. As time permits, the following should be addressed:

- There is a field referred to as “hold codes” which defines and categorizes the items as abandoned, drugs, found, safekeeping, evidence or property. At times, items could legitimately fall under multiple “hold codes” and there is no mechanism to ensure consistency. Using the correct hold code is important because certain hold codes

prompt a user to enter additional information. For example, when the hold code “drugs” is used, the system prompts the user for the weight. The hold code “found” would not prompt the user to enter the weight. Guidance would help users determine which “hold code” to use and what key information is needed for each type of “hold code”.

- There were approximately 148 inventory records that had an odd or blank incident date for a specific item. All but 21 of these items have been disposed, returned to owner, or auctioned. There is reason to believe some of these odd dates were caused by Y2K. For example, there were some items dated 1901. As time permits, the 21 records with odd or blank incident dates should be reviewed and, as applicable, corrected.
- The Property & Evidence room was moved, which necessitated the updating of QueTel records to reflect the new location of inventory items. During our review, there were 65 items with outdated locations recorded in QueTel. However, there was a direct relationship between the old and new locations so the item whereabouts were known. For example, all items from the old location Station 7 are now in “Section X” but the QueTel records still show Station 7 as the location. However, someone unfamiliar with the Property & Evidence room could be unaware of the correct location of these 65 items. This was brought to the attention of the Property & Evidence Clerk and she has begun the process of updating these records.

***Audit  
Recommendations***

1. Establish a monitoring and review process to ensure that checked-out items don’t become lost, forgotten, or miss-recorded.
2. If the applicable section of SOP 3.08 is not changed during the SOP revision, establish a procedure to ensure compliance with the section stating “The Criminal Investigations Divisions Supervisor shall cause a periodic audit of stored property, evidence, and procedures.”
3. Enlist the assistance of the QueTel service representative and/or the County IT department to develop an “exception report” to periodically monitor changes to inventory records in QueTel. Also, assign an appropriate individual to be responsible for reviewing the exception report.
4. Conduct a general review of all user access rights and define access levels to ensure all employees have the appropriate access.

## Management Response



# JACKSON COUNTY

Sheriff

Jackson County Sheriff's Office  
Support Services Bureau

Captain  
Monty Holloway

5179 Crater Lake Hw.  
Central Point, OR 97502  
Phone: 541-774-6838  
Cell: 541-621-6812  
Fax: 541-774-6774  
hollowmg@jacksoncounty.org

TTY: 541-774-6771  
www.jacksoncounty.org

August 18, 2014

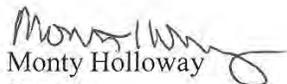
RE: Internal Audit report- Property and Evidence Room

I have reviewed your report and findings regarding the property and evidence room. Your audit has suggested that the following changes be considered or implemented:

- Establish a monitoring and review process to ensure that checked out items don't become lost, forgotten, or miss recorded.
- If the applicable section of SOP 3.08 is not changed during the SOP revision, establish a procedure to ensure compliance with the section stating "the criminal investigations division supervisor shall cause a periodic audit of stored property, evidence, and procedures."
- Enlist the assistance of the queTel service representative and /or the county IT department to develop an "exception report" to periodically monitor changes to the inventory records in QueTel. Also, assign an appropriate individual to be responsible for reviewing the exception report.
- Conduct a general review of all user access rights and define access levels to ensure all employees have the appropriate access.

I agree with all of the suggested audit recommendations, and will begin to apply those changes as soon as possible. Please pass along to your staff our appreciation for what they do, and their professionalism.

Sincerely,

  
Monty Holloway  
Captain