

Report #2019-05

GLENDALE POLICE DEPARTMENT PROPERTY ROOM AUDIT

*City of Glendale
Internal Audit*

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NUMBER OF RECOMMENDATIONS



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Acknowledgment

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This report is also available online at <http://www.glendaleca.gov>

A. Overview

Key Outcomes

The Glendale Police Department (GPD) Property Bureau (Property Room) has established and implemented processes and controls that provide reasonable assurance that property and evidence items are received, processed, safeguarded, and disposed of properly. However, controls over the GPD’s Property Room operations could be further improved through increased video camera surveillance, greater tracking/reporting of property released for investigative review (property in transit), and increased user access controls over the system of record, Tiburon.

Internal Audit identified seven improvement opportunities related to video camera surveillance coverage and retention, property in transit monitoring, physical and logical access controls, data entry consistency and reporting, property destruction, and policies and procedures (P&Ps).

Impact Dashboard

This table summarizes the applicable value-added categories (total 14) for the seven recommendations based on their priority rankings and one innovation opportunity.

	Value Added Categories				Innovation Opportunities
	Risk Reduction	Compliance	Cost Saving	Efficiency	
Priority 1 1	1	1	0	0	0
Priority 2 2	2	1	0	0	0
Priority 3 4	4	2	0	3	1

(Definitions of Priority Rankings and Value-added impacts are located at Appendix 1)

All seven recommendations are detailed in Section E; Observations, Recommendations & Management Responses Matrix.

B. Action Plan and Target Completion Dates

The action plan and target completion dates are summarized in the table below. Internal Audit will perform quarterly status follow-up to provide assurance that management is taking appropriate and timely corrective action to address audit recommendations.

Ref.	Management Action Plan	Completion Date ¹
Priority 1		
1.	Increase video camera surveillance and repair nonfunctioning cameras to increase monitoring capabilities. <i>Value added:</i> Risk Reduction , Compliance	09/30/2019
Priority 2		
2.	Enhance controls over property in transit by documenting responsibilities, consistently utilizing the Tiburon “Next Action Update” feature, and periodically reviewing the location based Tiburon report for proper monitoring. <i>Value added:</i> Risk Reduction , Compliance	12/31/2019
3.	Remove unauthorized Tiburon user accounts and enhance access controls through role based access rights, and establish a procedure to ensure that users who no longer require access to the system are timely deactivated. <i>Value added:</i> Risk Reduction	12/31/2019
Priority 3		
4.	Establish procedures to streamline the confirmation process to ensure items are destroyed timely and examine storage alternatives for guns slated for destruction. <i>Value added:</i> Risk Reduction , Compliance , Efficiency	12/31/2019
5.	Consistently enter currency values into Tiburon to leverage system capability to provide real time cash on hand balance and improve efficiency in the reconciliation and cash deposit process. <i>Value added:</i> Risk Reduction , Efficiency , Innovation	12/31/2019
6.	Periodically review key card access logs and avoid utilization of part-time/volunteer employees in the Property Room. <i>Value added:</i> Risk Reduction	12/31/2019
7.	Improve and update P&Ps to follow industry best practices to enhance operational consistency, efficiency and compliance. <i>Value added:</i> Risk Reduction , Compliance , Efficiency	12/31/2019

¹ The completion dates were provided by GPD based on an evaluation of the time required to fulfill recommendation.

C. Background

In accordance with Internal Audit's Fiscal Year 2018-19 work plan, Internal Audit completed an audit of GPD Property Room operations.

The Property Room is structurally organizationally under the GPD Administrative Services Division, which reports directly to the Chief of Police. This reporting structure grants the Property Room organizational independence from the other three divisions within the GPD. The Property Room is staffed by four Community Services Officers; one in the position of property supervisor and three as property officers.

Items received, maintained, and stored by the Property Room include guns, narcotics, jewelry, currency, computers, DNA samples, blood samples, homicide and sexual assault evidence, and items more general in nature. GPD is required to maintain accurate records of all property in its possession through law enforcement activities and to ensure "chain of custody" is maintained. Chain of custody is the chronological documentation that records the sequence of custody, control, transfer, analysis, and disposition of evidence from the moment it is received, to when it is offered in court as evidence, and lastly, the moment it is either released to the owner or disposed.

GPD uses a record management software, Tiburon, to track property and evidence in its possession. Each item receives its own entry and description. The system automates chain of custody control to track the items' status from collection to final disposition. Such software is critical to maintaining the validity of evidence and accurate record keeping. According to the GPD management, Tiburon was developed over 22 years ago and has reached the end of its stated lifecycle. Tiburon, Inc. has not sold the software since 2010, and discontinued product upgrades in 2015. Given the challenges of using a discontinued software, the City Council granted approval for the GPD to replace Tiburon with a new records management system. GPD is currently assessing the feasibility of replacing Tiburon.

D. Objective, Scope and Methodology

The objective of the GPD Property Room Audit was to determine if the Property Room has adequate controls in place to ensure property was properly recorded, packaged, safeguarded, and disposed of.

The scope of this audit covered the higher risk items of guns, narcotics, currency, and portable computers on hand; and related processes and controls in place primarily during calendar year 2018.

In order to accomplish the audit objectives, Internal Audit performed the following:

- Reviewed applicable Property Room policies and procedures.

- Conducted interviews and walkthroughs with key GPD and Information Services Department (ISD) personnel to obtain an understanding of the Property Room processes and operational activities.
- Reviewed the “Professional Standards” of the International Association for Property and Evidence, Inc. (IAPE Professional Standards) and interviewed its author to gain insight into common challenges and industry best practices.
- Conducted a sample based inventory of guns, narcotics, and portable computers; and performed a complete inventory of the currency within the cash safe.
- Performed detailed testwork to determine completeness and accuracy of applicable Tiburon data and assessed the current state of the Property Room operations.

As a result of the audit procedures performed, seven observations were identified and are detailed in the Observations, Recommendations & Management Responses Matrix beginning on the following page.

E. Observations, Recommendations & Management Responses Matrix

Ref	Observation	Recommendation	Management Response
1.	Video Camera Surveillance		
Priority 1	<p>Physical access controls can be improved by increasing camera surveillance coverage and camera status monitoring. Based on a sample review of video camera footage and a walkthrough of the Property Room floor, the following were noted:</p> <ul style="list-style-type: none"> • GPD is required to retain 2 years of video footage for all of their cameras. However, the historical video footage for 2 of the 3 cameras related to the gun and narcotics rooms could not be retrieved. It appeared that these two cameras were not functioning properly. • According to the System Administrator, it is not clear when these cameras stopped recording because the automatic notification feature was not enabled. • The only three cameras of the Property Room are in the gun room, narcotics room, and cash room. The intake lockers, the property release counter, and the remaining of the Property Room are not currently monitored by camera surveillance. • The three cameras currently installed in the Property Room area are positioned in a way that leads to many blind spots. 	<p>GPD perform the following:</p> <ul style="list-style-type: none"> • Repair the two non-functioning cameras. • Enable the automatic notification feature to alert system administrator when cameras go offline. • Increase the number of cameras in the Property Room area to improve the coverage of surveillance. • Improve the positioning of cameras to maximize the amount of coverage within the three rooms. 	<p>Agrees and will implement by September 30, 2019:</p> <ul style="list-style-type: none"> • Will repair the two non-functioning cameras. • (Implemented) The automatic notification feature to alert system administrator when cameras go offline has already been turned on. • Will assess the feasibility of increasing the number of cameras within the Property Room. • Will improve the positioning of cameras to eliminate or reduce blind spots.

Ref	Observation	Recommendation	Management Response
2.	Property In Transit		
Priority 2	<p>When property is checked out for investigative review, the location is changed within Tiburon to either "Officer" or "Other" to reflect the item is no longer physically in the possession of the Property Room. The Property Room also utilizes the "Next Action Update", an automated reminder, to keep track of property in transit. Upon a review of this location based report as of January 1, 2019 along with a judgmental sample of 20 property items, the following were noted:</p> <ul style="list-style-type: none"> • The report listed 1,509 property items, which preliminarily suggests they could still be in the possession of the applicable officers or other external agencies. However, the "Next Action Update" only listed 1 outstanding item. • All 20 sampled items were properly released from the Property Room. However, 8 (or 40%) of the 20 items had Tiburon data entry discrepancies including: <ul style="list-style-type: none"> ○ 3 were returned to the Property Room, but they were not checked-in properly to reflect their updated locations. ○ 4 were checked out to officers prior to 2010 but no notes were made within Tiburon indicating the final disposition of the property items. ○ 1 was checked out to an Officer who did not update Tiburon to reflect the item was properly released. <p>To determine the exact number of property in transit requires every property item to be individually researched. Nonetheless, the number of items on the report and our sample test results suggests there might be items that have not been timely returned to the Property Room and/or there are inaccurate Tiburon records.</p>	<p>GPD perform the following:</p> <ul style="list-style-type: none"> • Establish a monitoring process for property in transit to ensure the timely return of items by consistently utilizing the Tiburon "Next Action Update" feature and periodically review the location based Tiburon report. • Make a determination on how to address the property in transit items that are beyond the records retention period. • Enhance controls over the check-in process for returned property. • Document the responsibilities, expected timelines, and the returned property check-in process into the P&Ps. • Request the potential Tiburon replacement to have better reporting capabilities for property in transit. 	<p>Agrees and will implement by December 31, 2019:</p> <ul style="list-style-type: none"> • Will reiterate the importance of utilizing the "Next Action Update" feature to staff and will review the location based Tiburon report quarterly for reasonableness. • Will make a determination on how to address the property in transit items that are beyond the records retention period. • Will review the current check-in procedure and establish controls to ensure returned items are properly checked-in. • Will document the responsibilities, expected timelines, and the returned property check-in process into the P&Ps. • Will assess the feasibility to have better reporting capabilities for property in transit in the potential Tiburon replacement.

Ref	Observation	Recommendation	Management Response
3.	Tiburon User Access		
Priority 2	<p>Tiburon user access controls need to be improved to reduce the risk of unauthorized access and to ensure data integrity. Upon examining the active “@ALL” and “@PROP” users, the following were noted:</p> <ul style="list-style-type: none"> • There are 8 active accounts (1 “@ALL” user and 7 “@PROP” users) that appeared to be for users that no longer need access: <ul style="list-style-type: none"> ○ 5 are for separated employees (1 “@ALL”). ○ 3 are for unknown individuals. All 8 user accounts should be researched and deactivated as appropriate. • Tiburon has different user profiles with varying permissions. However, it is unclear what access each user type allows as this is not documented. • There are 61 “@ALL” users (super users) identified as “Vendor” accounts. Of the 61, 23 appear to be generic vendor accounts. It is unclear whether these accounts are appropriate or still needed. • There are 38 “@ALL” users identified as City users. However, it is not clear whether the “@ALL” permission level is appropriate based on each employee’s current role. 	<p>GPD perform the following:</p> <ul style="list-style-type: none"> • Research the 8 user accounts identified, and deactivate as appropriate. • Establish procedures for granting, monitoring and removing vendor user access. • Review “@ALL” and “@PROP” users for appropriateness and retain access only for active employees and authorized vendors. Super users’ access activities should be monitored regularly. • Document user types and their respective permissions to ensure proper access and segregation of duties. 	<p>Agrees and will implement by December 31, 2019:</p> <ul style="list-style-type: none"> • Will research the 8 user accounts identified, and deactivate as appropriate. GPD will be more diligent in timely removing users. • Will establish procedures for vendor user access. • Will review “@ALL” and “@PROP” users for their appropriate access rights and remove inactive, unneeded, and/or generic accounts. • Will assess the feasibility of documenting user types and their respective permissions in the current system or potential Tiburon replacement system.

Ref	Observation	Recommendation	Management Response
4. Property Destruction			
Priority 3	<p>It is GPD’s current policy that officers’ approval must be obtained prior to destroying any non-safekeeping property. The Property Room sends out a “request for destruction” notice to officers periodically to obtain this approval. Upon a review of the “request for destruction” report as of March 12, 2018, the following were noted:</p> <ul style="list-style-type: none"> • There were a total of 1,687 unaddressed requests for destruction. 208 (12%) were duplicate requests. • Of the 1,479 (88%) requests with unique case numbers, 1,163 (79%) were sent prior to 2018. Not being able to obtain officers’ approval hinders the Property Room’s ability to start the disposition process in a timely manner. • 30 of these unaddressed “requests for destruction” notices were sent to 12 officers who are no longer employed by the City; and one unknown individual that could not be located within the Munis Human Resources system. • Guns are stored separately from general evidence in a location with enhanced security. However, due to space limitations, guns pulled for destruction, are taken from their key card controlled and video monitored room, and placed “temporarily” in the general Property Room area. Depending on the destruction schedule, they may be left there for months. 	<p>GPD perform the following:</p> <ul style="list-style-type: none"> • Remove duplicate entries from the system and re-assign the notices belonging to officers who are no longer with the GPD. • Develop procedures to increase compliance with requests for destruction, such as establishing formal timelines that officers must respond by. • Look for alternative storage means and/or location for guns to be staged prior to destruction to ensure proper safeguarding at all times before destruction. 	<p>Agrees and will implement by December 31, 2019:</p> <ul style="list-style-type: none"> • Will remove duplicate entries and re-assign notices belonging to officers no longer with GPD. • Will develop procedures to increase compliance with requests for destruction. • Will assess the feasibility of changing the location of staged guns.

Ref	Observation	Recommendation	Management Response
5. Currency Values within Tiburon			
Priority 3	<p>Currency values are not consistently entered within Tiburon. This results in unknown currency balance reporting and inefficiency in the cash deposit and reconciliation process. Based upon a review of 691 “cash” records from Tiburon as of January 15, 2019, the following were noted:</p> <ul style="list-style-type: none"> • 178 (or 26%) did not have the dollar amount noted in the "Value" field, as is required. Of the 178 records, 133 (75%) also did not have any dollar amount noted in the "Description" field. • Due to the incomplete data entry of these records, a real-time balance of the cash on hand in the Property Room is not readily available. • A separate Excel spreadsheet is used to keep track of incoming currency transactions. However, this spreadsheet is not updated in real-time when deposits are made from the cash safe. • Cash items are entered into the Munis Financial System one by one during the deposit process, which is time consuming and inefficient. 	<p>GPD perform the following:</p> <ul style="list-style-type: none"> • Provide training to GPD personnel on the required data entry for each currency transaction within Tiburon. • Leverage system reports, instead of duplicative Excel spreadsheets to improve accuracy and efficiency. • Work with the Finance Department to evaluate a more efficient batch deposit process. • The ability to select configurable mandatory fields should be a feature that is sought after in the potential Tiburon replacement. 	<p>Agrees and will implement by December 31, 2019.</p> <ul style="list-style-type: none"> • Will communicate required elements for complete property entries to officers and sergeants. • May request assistance from the Innovation and Performance team to identify more efficient ways to maintain the Excel spreadsheet by utilizing existing Tiburon reports. • Will work with the Finance Department to determine if there are more efficient ways to process cash deposits. • Will assess the feasibility of having configurable mandatory fields in the potential Tiburon replacement.

Ref	Observation	Recommendation	Management Response
6. Key Card Access			
Priority 3	<p>Physical access controls can be further enhanced on the granting and removing of card access and monitoring of the access activities. Based on a review of the Property Room key card accounts and access logs, the following were noted:</p> <ul style="list-style-type: none"> • Key card access rights to the cash room were not revoked timely for the former Property Room Supervisor who retired in early 2018. All of her access rights to the various key card controlled doors of the Property Room were revoked, with the exception of the cash room. No entry was made by the former supervisor subsequent to her retirement. • An "Invalid Attempt" by a GYA/temporary employee was made to enter the Property Room on October 5, 2018. Upon inquiry, it was determined that the invalid attempt was reasonable, as the GYA employee was briefly hired in 2018 to assist with Property Room operations. However, given the importance of the Property Room, volunteer and other similarly "temporary" type employees should not be utilized. 	<p>GPD perform the following:</p> <ul style="list-style-type: none"> • Revoke the former Property Room supervisor cash room access rights. • Distribute exception reports and/or access activity reports periodically to the manager who oversees the Property Room. • To the extent possible, refrain from utilizing GYA and other "temporary" employees in the Property Room. 	<p>Agrees and will implement by December 31, 2019:</p> <ul style="list-style-type: none"> • (Implemented) The access right to the cash room for the former Property Room Supervisor was revoked immediately after Internal Audit's discovery. • The manager who oversees the Property Room will review the key card access activity log on a semi-annual basis, and any exceptions for failed attempts and entries during and after business hours will be investigated. • The use of GYA employees in the Property Room will be discontinued.

Ref	Observation	Recommendation	Management Response
7. Policies and Procedures			
Priority 3	<p>GPD has fairly detailed P&Ps that govern Property Room operations. However, the P&Ps are not signed off by management and the effective dates are not noted. It is not clear whether the P&Ps are still in effect. In addition, the following discrepancies between the current practice and the existing P&Ps were noted:</p> <ul style="list-style-type: none"> • P&Ps do not reflect the requirement that two Property Room officers must be present when accessing the cash safe. • P&Ps states that monthly summary reports of booked and dispositioned items shall be generated and provided to management. However, no such reports have been generated. • P&Ps state that key card access authorization must be in writing. However, for the two most recent Property Room hires, written authorizations could not be retrieved for review. 	<p>GPD perform the following:</p> <ul style="list-style-type: none"> • Review, update, sign-off, and notate the effective dates for all applicable Property Room P&Ps. • Review and incorporate IAPE Professional Standards best practices into existing P&Ps, if applicable. • Develop procedures for the key card access function and clarify the retention period of the written key card access authorizations. 	<p>Agrees and will implement by December 31, 2019:</p> <ul style="list-style-type: none"> • Will review, update, and note effective dates for all applicable P&Ps. • Will review IAPE Professional Standards for best practices and incorporate them into P&Ps, if applicable. • Will develop procedures for the key card access function, which will include how long written authorizations shall be retained.

Appendix 1: Definitions of Priority Rankings and Value-Added Categories

Definitions of Priority Rankings

The priority rankings are assigned by internal auditors based on their professional judgment. They are also agreed upon by management based on their evaluation of the alignment with strategic goals, priorities and available resources. A timeline has been established based on each priority ranking:

- a. **PRIORITY 1** - Critical control weakness that exposes the City to a high degree of combined risks. Priority 1 recommendations should be implemented within **3 months** from the first day of the month following report issuance or sooner if so directed.
- b. **PRIORITY 2** - Less than critical control weakness that exposes the City to a moderate degree of combined risks. Priority 2 recommendations should be implemented within **6 months** from the first day of the month following the report issuance or sooner if so directed.
- c. **PRIORITY 3** - Opportunity for good or better practice for improved efficiency or reduced exposure to combined risks. Priority 3 recommendations should be implemented within **9 months** from the first day of the month following the report issuance or sooner if so directed.

Definitions of Value-Added Categories

The four value-added impact categories are defined based on their impact from the audit recommendations:

- a. **COMPLIANCE** - adherence to laws, regulations, policies, procedures, contracts, or other requirements.
- b. **COST SAVING** - lower the costs related to conducting City business.
- c. **EFFICIENCY** - ability to avoid wasting resources (money or time) in achieving goals.
- d. **RISK REDUCTION** - lower the risks related to strategic, financial, operations and compliance.

In addition, the **INNOVATION OPPORTUNITY** category indicates the assistance and consulting services that may be provided by the Innovation and Performance Team in helping address audit observations.