



City of Phoenix

Mission Statement

To improve the quality of life in Phoenix through efficient delivery of outstanding public services.

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This report can be made available in alternate format upon request.

Police Department Inventory Review of High-Risk Evidence

June 6, 2023

Report Highlights

Warehouse Security

Physical access controls appeared sufficient. However, security cameras around the building need to be replaced.

Inventory Storage and Management

Inventory was properly managed, and periodic counts were performed as required. However, storage areas were over capacity.

Evidence Disposals

Evidence disposals were performed per policy.

Evidence Tracking Systems

Evidence information within the two tracking systems did not match.

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Executive Summary

Purpose

Our purpose was to determine that high-risk evidence was securely stored and properly tracked.

Background

The City of Phoenix (City) Police Department's (Police) Property Management Unit (PMU) staff are responsible for the security and oversight of evidence stored at their warehouse. As of January 2023, approximately 2.1 million items were stored at the warehouse, 182,000 of which were classified as high-risk. Items defined as high-risk are guns, drugs, cash, and jewelry. Item information is stored in the Records Management System (RMS) and Property Tracking System (PTS).

We reviewed the security of high-risk items, including physical access controls and security cameras. We reviewed inventory management processes and the procedures for disposing of authorized items. We also performed a high-level review of the RMS and PTS systems to validate that the information for each item matched.

Results in Brief

Physical access controls appeared sufficient. However, security cameras around the building need to be replaced.

We reviewed the controls over physical keys and electronic badge access and found that PMU staff performed audits and updated information as required. Although the vault door combination was not being changed as required by the PMU manual, Police have since installed a second door with access controls that are being regularly maintained. We also found seven of 31 (23%) security cameras were not operational. PMU staff plan to replace all security cameras, dependent on funding approvals.

Inventory was properly managed, and periodic counts were performed as required. However, storage areas were over capacity.

The PMU manual required PMU staff to perform monthly inventory counts and a complete inventory count when the Police Chief separated from the City. PMU staff performed inventory counts as required. All variances found during the counts were reviewed and corrected. We performed an inventory count of 78 items and found no exceptions. However, we noted that the gun room was over capacity. PMU staff were moving some items to new secured locations but did not have sufficient space at the warehouse to remedy the capacity problem.

Evidence disposals were performed per policy.

PMU staff performed drug, cash, and jewelry disposals as required by the PMU manual. Disposal processes for these items appeared sufficient. Police did not have a contract for gun disposals during the scope of the audit. However, a contract was approved in February 2023. PMU staff were working to begin disposing of the authorized guns.

Evidence information within the two tracking systems did not match.

We found that item information in RMS and PTS did not always match. PMU staff received a weekly report of issues that contained over 9,000 errors for the periods reviewed. PMU staff stated that the RMS system was currently being replaced with a system that was not compatible with PTS. They were searching for a PTS system that would work with the new RMS system and would hopefully correct all outstanding system errors.

Department Responses to Recommendations

Rec. #1.1: Modify the policy requiring the vault combination to be changed to fit the current process or change the combination as required.

Response: The Property Management Unit (PMU) supervisors will ensure the policy is followed as written.

Target Date:

September 7,
2023

Rec. #3.1: Develop a plan to resolve all errors when the new PTS system is installed or ensure that the errors are not replicated when the information is migrated to the new PTS system.

Response: City ITB, PMU, and the RMS team will work together to review available new PTS system(s) that will work with the new RMS Motorola P1 reporting system.

Target Date:

July 7, 2025

Explanation, Target Date > 90 Days: We Are requesting a two year target date due to implementation requiring multiple departments to include City ITB, PMU, and the RMS team which is currently reviewing available new PTS system (s) that will work with the new RMS Motorola P1.

1 – Area Security

Background

Police store evidence in a secured warehouse. Firearms, drugs, and money/jewelry are each stored in different areas in the warehouse. The locations are protected by multiple entrances that are locked with a key, an electronic badge reader, a combination lock, or some combination of access types. Different sets of employees are authorized to access each area. Additionally, multiple security cameras are positioned throughout the warehouse.

We reviewed the controls over keys, electronic badge access, and lock combinations to verify that PMU staff properly managed warehouse access. We also reviewed the security cameras to confirm they provided appropriate coverage to the building entrances and evidence storage areas.

Results

Keys and electronic badge access appeared properly monitored. The vault combination lock had not been changed as required, but there were compensating controls to cover the risk.

PMU policy states that staff should audit keys at least twice yearly to verify key possession. We confirmed that key audits happened in October 2022 and March 2023. We obtained the key audit for March 2023 and validated that the employees listed as having keys were current employees assigned to the PMU or were building maintenance staff. No issues were noted.

PMU policy states that when an employee leaves the PMU, their badge access to the warehouse must be revoked. We reviewed the list of employees with badge access as of February 21, 2023. All employees were current as of the printing of that list. Shortly after that list was printed, two employees separated from employment. We verified their access was removed, as required.

We reviewed the access to each area to determine if PMU staff were only assigning required employees to each area or if all employees were given full access to evidence storage. We found that each area had different levels of access. When item types were stored in multiple areas, we validated that the same group of employees could access each area. PMU staff actively reviewed employee access.

The only combination lock was on the door leading to the vault where money and jewelry were stored. The PMU manual required that the combination be changed every two years or whenever an employee who knew the combination left the unit. PMU staff stated that they did not know the last time the combination was changed. However, there was a second door behind the main door. The second door was locked with electronic badge access, so only someone with an active badge could access the vault contents. This access was verified along with the other electronic badge access

reviews. PMU staff should review their policies to determine if they can update or adhere to policy, or change the combination as required.

Multiple security cameras were not functioning or had poor images. PMU staff were in the process of replacing all security cameras, provided budgeted amounts do not change.

PMU staff performed an internal review of their security cameras in November 2021. They found four of 29 cameras (14%) were not operational. They also determined that four functioning cameras had poor image quality. PMU staff planned to replace the cameras around July 2022. However, the funding was revoked.

We reviewed the cameras in January 2023. Two additional cameras were installed, bringing the total to 31. However, three additional cameras were not operational, bringing the total to seven. Audit did not opine on the quality of the images. PMU staff stated that they again had budgeted money to replace all cameras and that the process should begin around July 2023. However, PMU staff cannot control the funding, and it could be revoked again. It is important to replace the cameras to maintain proper security over the area.

Recommendation

- 1.1 Modify the policy requiring the vault combination to be changed to fit the current process or change the combination as required.

2 – Evidence Storage and Disposal

Background

Evidence is stored at the warehouse in separate secure locations by item type. PMU supervisors are required to perform monthly inventory audits to ensure items are stored in the correct locations. A complete inventory review is also required when a new Police Chief is appointed.

Evidence tied to adjudicated cases can be released back to the owners, or disposed of, depending on the item. PMU staff regularly review disposal lists, contact owners, track their responses, and prepare disposals as needed.

We reviewed PMU's process and observed one inventory count. We also performed a separate count of a sample of items. Additionally, we observed item disposals and reviewed the associated documentation.

Results

PMU staff performed inventory counts as required. Our inventory count found no issues.

PMU supervisors were required to perform monthly inventory audits. We obtained all inventory results from August 2022 through January 2023. PMU staff selected one area and then rotated areas each month. No issues were found.

PMU performed an inventory count of all high-risk evidence in January 2023 as part of the Arizona Law Enforcement Accreditation Program (ALEAP). We observed a portion of the process and found no issues with the methods used. PMU staff inventoried approximately 182,000 items. They found 22 discrepancies and four missing items. The 22 discrepancies were attributed to older labels that did not scan correctly and issues with the PTS scanners. The four missing items were located and were listed as missing due to information not syncing between RMS and PTS.

We performed a separate inventory check. A sample of 78 items were selected: 20 from the main drug room, 20 from the drug intake room, 20 from the vault, and 18 from the gun room. All items were found at the correct locations.

Evidence storage rooms, especially the gun room, were nearing or exceeding capacity.

The ALEAP inventory count found that the gun room was at 166% capacity, and the main warehouse was at 158% capacity. The main warehouse was outside the scope of this audit, but we reviewed the capacity of the high-risk locations. Both the vault and the drug room appeared to be near capacity. However, the gun room was full beyond capacity, as stated by PMU staff.

Gun Room

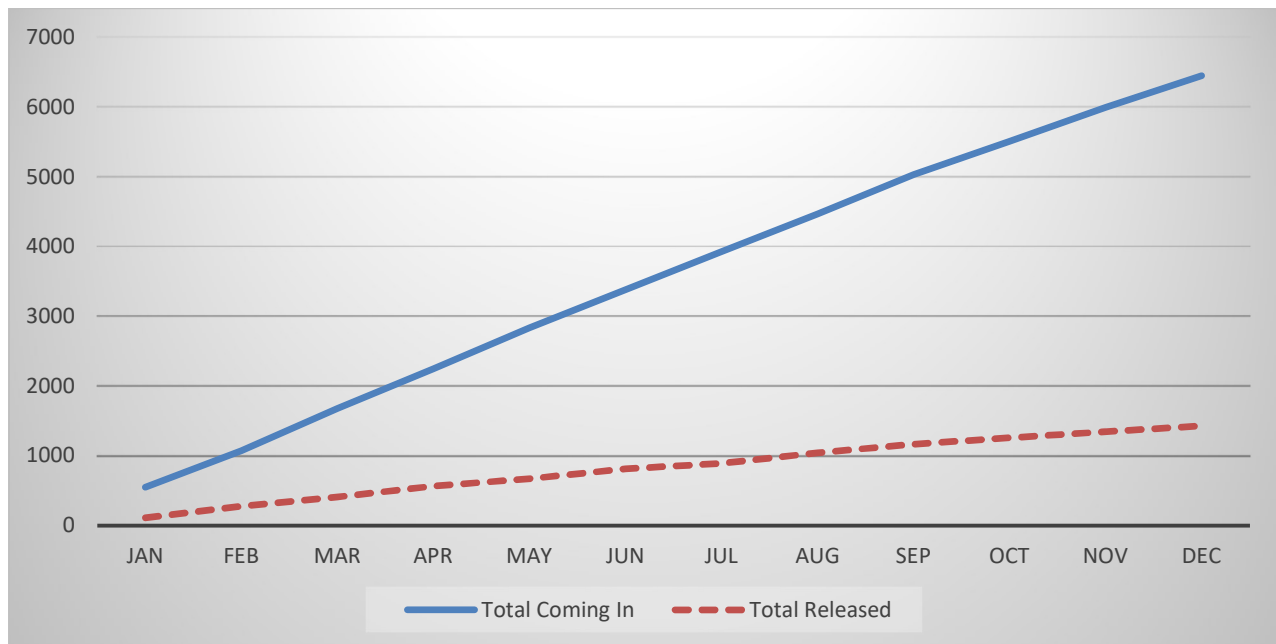


The gun room cannot accommodate all guns held for evidence.

Items were spilling out of the shelving. Storage bins were stacked on top of the shelving units causing damage and creating a safety concern when items were retrieved from the top shelves.

We reviewed the flow of items in and out of the gun room from January through December 2022.

Guns In and Out of Storage



Approximately 5,000 more items came in than were released.

In 2022, 6,452 new items came into the gun room, and 1,428 were released. This resulted in 5,000 new items. Due to the gun room exceeding capacity, additional storage containers were installed in the main warehouse. However, the containers were also at capacity, resulting in a large number of guns being stored in unsecured bins in the main warehouse, which was a security concern. PMU staff located one additional secured storage area for guns that must be kept indefinitely. During the audit, most unsecured guns in the main warehouse were relocated to the new room. However, Police needs to address the capacity of the gun room.

Disposal processes for items from the drug room and vault appeared to be thorough and appropriate. There were no recent gun disposals to review.

PMU staff had different processes for the disposal of each type of item. Drugs were destroyed, and vault items were either escheated to the appropriate agency or sent to auction. Guns may be auctioned, retained for use by the City, or occasionally destroyed.

Drugs were supposed to be destroyed once released. However, the location that the City had been using stopped allowing the use of its facilities to destroy drugs. This resulted in PMU staff being unable to destroy drugs for almost two years. The City recently entered into an agreement with a new location. PMU staff first utilized this location during the audit. We received all planning documentation for this trip, and two auditors accompanied PMU staff. The documentation appeared thorough and considered all associated risks. The auditors who observed the trip found no issues with the process.

PMU staff were required to deposit money from adjudicated cases into the account of the agency that processed the case. The deposit was performed monthly as a joint operation between the PMU and an officer from the Police Compliance and Oversight Bureau (COB). We observed the deposit for April 2023. All cash was securely stored, and two Police officers were always present. The money was counted in a room that had a security camera and was double-checked to ensure accuracy. We found no issues with this process.

Arizona Revised Statute 13-3108 stated that "...any agency or political subdivision of this state and any law enforcement agency in this state shall not facilitate the destruction of a firearm..." This means that PMU staff are required to sell guns ready for disposal unless the sale of the gun is prohibited under federal and state law. However, PMU could not sell guns until Phoenix City Council (Council) approved a contract with a licensed vendor. Since Council had not approved a vendor until February 2023, no guns were sold during the audit scope. Council authorized only the sale of guns with a court order to sell them, which does not cover all guns eligible per state law. As of April 11, 2023, PMU staff identified 3,442 guns that must be sold per state law. They initially identified 541 guns eligible for sale under the contract terms but were processing all eligible guns to determine if more could be sold. The remaining guns will continue to be stored.

Recommendation

None

3 – Evidence Tracking Systems

Background

Evidence is tracked in two systems: RMS and PTS. All Police staff uses RMS as the main point of record. This system is where all evidence information is input when items are first obtained. PMU uses PTS for tracking items. PTS is necessary as RMS cannot easily track the movement of evidence. The two systems are designed to work in tandem, where any changes to one system will automatically update the other.

Police were updating the RMS system to a newer version. PMU staff will need to replace PTS because it will not be compatible with RMS. We compared the data between the two systems to verify that the information matched.

Results

Evidence information within the two tracking systems did not match.

We obtained reports of all evidence inventory from both RMS and PTS. The reports included only the evidence tag number and location information. The reports were run on the same day but a few hours apart. The time difference could cause discrepancies if items were moved during the time between when the reports were run. There were approximately 192,000 items on each report. We compared both reports to check that all items matched. We compared the item number and location to determine if a discrepancy was due to an item being in a different location or if it was only listed on one report. The counts of items that did not match are:

- Gun Room: 120 items
- Drug Room: 314 items
- Drug Intake Room: 129 items
- Vault: 45 items

PMU staff stated that item changes did not always transfer accurately between the two systems. Some information might have a long delay, and some might not transfer. We reviewed one item and found it had been updated in RMS, but those changes did not transfer to PTS.

PMU staff received an automated weekly report identifying errors between RMS and PTS. The errors identified were:

- Item barcode only exists in RMS
- Item location information does not match
- Item status does not match
- Item description does not match

- Duplicate barcodes in RMS

The weekly report for February 19, 2023, listed 9,162 errors, and the weekly report for February 26, 2023, listed 9,239 errors. PMU staff stated that they did not have the staffing necessary to reconcile and resolve all errors. They also noted that some errors were due to the known problems of information not transferring properly between RMS and PTS.

PMU staff need to find a new PTS system that is compatible with the latest version of RMS. PMU staff must consider these errors when selecting a new PTS system and work to resolve all errors by the time it is installed.

Recommendation

- 3.1 Develop a plan to resolve all errors when the new PTS system is installed, or ensure that the errors are not replicated when the information is migrated to the new PTS system.

Scope, Methods, and Standards

Scope

We reviewed evidence inventory, and PMU processes, for various periods from July 2022 through April 2023.

The internal control components and underlying principles that are significant to the audit objectives are:

- Control Environment
 - Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.
- Control Activities
 - Management should design control activities to achieve objectives and respond to risks.

Methods

We used the following methods to complete this audit:

- We reviewed PMU policies and procedures.
- We interviewed PMU staff.
- We reviewed building security measures.
- We observed PMU processes for counting evidence inventory.
- We performed a count of evidence inventory.
- We observed PMU processes for disposing of evidence.
- We compared evidence inventory information between RMS and PTS systems.

Unless otherwise stated in the report, all sampling in this audit was conducted using a judgmental methodology to maximize efficiency based on auditor knowledge of the population being tested. As such, sample results cannot be extrapolated to the entire population and are limited to a discussion of only those items reviewed.

Data Reliability

The reliability of the Diamond II badge access data was previously determined to be reliable through an independent audit review.

Standards

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. Any deficiencies in internal controls deemed to be insignificant to the audit objectives but that warranted the attention of those charged with governance were delivered in a separate memo. We are independent per the generally accepted government auditing requirements for internal auditors.