



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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07-16

July 23, 2021

The Honorable Richard D. Wiles
El Paso County Sheriff
3850 Justice Drive
El Paso, Texas 79938

Dear Sheriff Wiles:

The County Auditor's Internal Audit division in conjunction with the County Purchasing Department performed an audit of the collection and disposal of the El Paso County Sheriff's abandoned evidence property on June 9, 2021, to determine if internal controls are adequate to insure proper storage and disposal of monetary and physical abandoned evidence.

The audit report is attached. There was one finding noted as a result of the audit procedures which is a repeat finding from the prior audit. We wish to thank the management and staff of the Sheriff's Office and the Purchasing department for their assistance and courtesies extended during this audit.

Because of certain statutory duties required of the County Auditor, this office is not independent in regard to your office, as defined by AICPA professional standards. However, our audit was performed with objectivity and due professional care.

Respectfully,

Edward A. Dion
County Auditor

EAD:JO:ya

cc: Mrs. Betsy Keller, Chief Administrator
Ms. Kimberly A. Johnson, Sheriff Property Evidence Supervisor
Mr. Joe Lopez, Purchasing Agent - Interim



The El Paso County Sheriff’s Department
Abandoned Evidence
June 9, 2021
EXECUTIVE SUMMARY



BACKGROUND

Abandoned evidence is stored by the El Paso County Sheriff’s office for at least six months. After this time period all non-monetary items are either transferred to the El Paso County Purchasing department for in-person auction or to the contracted company Propertyroom.com for online auction. Further, all monetary items are transferred to the Auditor’s office for deposit into the County’s general fund. Transfers and monetary deposits are monitored by an internal auditor and a purchasing agent. All transfers are documented through chain of custody forms or through Commissioners Court approved orders. This audit was performed by James O’Neal, internal audit manager – senior. The most recent prior audit report was issued on November 16, 2020.

AUDIT OBJECTIVES

The audit evaluated the adequacy of controls and processes to achieve key business objectives related to the disposal of abandoned evidence held by the Sheriff’s Office. Following are the business objectives, related control assessment, and a summary of good and weak controls noted in the audit.

Business Objective	Control Assessment
1. Establish and document current policies and procedures	Needs Improvement
2. Appropriate controls during transfer of items from Sheriff’s to Purchasing department	Satisfactory
3. Functioning appropriate cash controls by Sheriff’s Evidence Room staff	Satisfactory
4. Proper securement and storage of monetary items by Sheriff’s Evidence Room staff	Satisfactory
5. Proper recording and chain of custody documentation for evidence accepted or transferred by Sheriff’s Evidence staff	Satisfactory
6. Proper recording and transfer of monetary items to the Auditor’s office	Satisfactory
7. Proper disposal of unusable items and storage of auction ready items by purchasing agents	Satisfactory

SCOPE

The scope of the audit includes abandoned evidence stored by El Paso County Sheriff’s Office submitted for transfer approval by Commissioners Court on May 11, 2021, and transferred to the County Purchasing and County Auditor departments on June 9, 2021.

METHODOLOGY

To achieve the audit objectives we:

- Requested and reviewed current policies and procedures
- Accompanied the purchasing agent to the Sheriff’s evidence warehouse to collect abandoned evidence and property.
- Verified all monetary and non-monetary items with inventory listing submitted by Sheriff’s evidence clerk.
- Tested a sample of case numbers to ensure proper chain of custody documentation for monetary and non-monetary items accepted and/or transferred by Sheriff’s Evidence department staff.
- Transported all non-monetary items to Purchasing warehouse for auctions to be held at a later date.
- Personal property such as clothing, pierced jewelry and items of no value were disposed of. Any items collected containing sensitive information (social security numbers, driver’s license numbers, dates of birth, etc.) were shredded.
- Monetary items were separated and delivered to the bank via a purchasing agent and the auditor.

RESULTS

On June 9, 2021, the El Paso County Sheriff’s abandoned evidence was turned over to the Purchasing department and this office for disposal. The abandoned evidence resulted in a monetary collection of \$2,028.29. However, several bills totaling \$188 were deemed as a biohazard and not accepted by the local banking institution. The bills were mailed to the United States Bureau of Engraving and Printing, via certified mail, on July 7, 2021, for proper handling and a check will be issued to the County once reviewed and processed by the Bureau. Therefore, the true amount deposited into the County’s general fund on July 1, 2021, was \$1,840.29. Listed below are control and findings summaries, with findings listed from highest to lowest risk. Please see the



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Findings and Action Plans section of this report for details and management action plans and the status of the prior audit findings.

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> Transfer signatures acquired from all departments during transfer of property. (Obj. 2) Functioning appropriate cash controls (Obj. 3) Adherence to Sheriff's Evidence Room securement and storage policies and procedures (Obj. 4) Documentation showing proper chain of custody for evidence items accepted by departmental staff (Obj. 5) Transfer of monetary items to County Auditor's Office (Obj. 6) Disposal of unusable items and storage of auction ready items by the Purchasing department. (Obj. 7) 	<ul style="list-style-type: none"> Adequate and up-to-date policies and procedures (Obj. 1)
Findings Summary	
<p>1. Current policies and procedures have not been updated to include the transfer of items to the online auction process.</p>	

INHERENT LIMITATIONS

This financial review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from loss, theft, or misuse. The County's internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of implementing the controls should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires the use of estimates and judgment by management. Because of the inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected.

CONCLUSION

The transfer and disposal of abandoned evidence has met five of six objectives of this audit. Implementation of the recommendation provided in this report should assist the Sheriff's Office improve their abandoned evidence storage and transfer procedures.



The El Paso County Sheriff's Department
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June 9, 2021
Findings and Action Plans



Prior Audit Findings Summarized with Current Status

Status

H Closed

Finding: Improper chain of custody documentation and procedures not followed.

- An Apple Smartwatch, belonging to case number 2018-10844, was scheduled for destruction on March 14, 2019. The chain of custody signature form shows the same employee accepting, releasing and destroying the item. Further, when the location of the item was questioned at the time of pickup by the Purchasing department, the chain of custody form was printed and signed by the evidence clerk on that day.
- A chain of custody signature form or transfer documentation was not included for the three cases in which items were transferred to the online auction process. A notation on the inventory listing was the only documentation indicating the items were transferred.

Recommendation: Current policies and procedures should be followed as documented or amended by management if necessary.

Action Plan: Due to the functionality of the Sheriff's law enforcement information and records management program (ILEADS), the chain of custody report will show the initiating individual as the acceptor, releaser and destroyer of any items entered for disposal or transfer to another department or location. Therefore, to ensure current policies and procedures are followed, the evidence supervisor will immediately implement a procedure in which another employee will verify the transfer and disposal of items by signing the custody form or auction manifest as acknowledgement. Further, the signed custody form and any other forms showing transfer and acknowledgement from other departments or locations will be included as supportive documentation in the listing supplied for Commissioner's Court approval and at time of pickup by the Purchasing department. This new process will be documented in the updated policies and procedures. **Action plan not implemented due to change in inventory management software from ILEADS to OnCall WebRMS. Policies and procedures to be updated.**

M Open

See current finding #1

Finding: Outdated Policies and Procedures. While reviewing the current policies and procedures, we noted they did not include policies and procedures involving the transfer of property to the online auction process. Outdated policies and procedures may weaken the office internal controls, lead to non-compliance of new laws and regulations and fail to offer proper guidance to office staff members.

Recommendation: Office policies and procedures should be updated to address the operating process mentioned above. Further, management should periodically review and update the office policies and procedures as necessary.

Action Plan: Evidence supervisor agrees with recommendation and is in the process of reviewing and updating the current policies and procedures with staff and upper management. **Action plan not implemented due to various issues.**



**The El Paso County Sheriff's Department
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Findings and Action Plans**



Current Audit Findings and Action Plans

Finding #1		Risk Level
M		
<p>Outdated Policies and Procedures – The current policies and procedures have not been updated to include the newly implemented process of transferring property to the online auction company due to factors listed below:</p> <ul style="list-style-type: none"> • New evidence inventory program/software (OnCall RMS) implementation <ul style="list-style-type: none"> • The supervisor was awaiting full implementation of the new software in order to include in updated policies and procedures • Change in upper supervisory chain of command • Implementation of mandated COVID office/department closures and stay at home orders <p>Outdated policies and procedures may weaken the office internal controls, lead to non-compliance of new laws and regulations and fail to offer proper guidance to office staff members. (Previous finding)</p>		
Recommendation		
Office policies and procedures should be updated to address the operating process mentioned above. Further, management should periodically review and update the office policies and procedures as necessary.		
Action Plan		
Person Responsible	Sheriff's Evidence Department Supervisor	Estimated Completion Date
		October 1, 2021
Evidence supervisor agrees with recommendation and will work with staff and upper management to update policies and procedures addressing new operating processes mentioned above. Further, evidence supervisor will periodically review policies and procedures and update as necessary.		