

STATE OF NEVADA

Performance Audit

Department of Public Safety
Office of Director

2014



Legislative Auditor
Carson City, Nevada

Audit Highlights



Highlights of performance audit report on the Department of Public Safety issued on December 2, 2014. Legislative Auditor report # LA14-24.

Background

The mission of the Department of Public Safety (DPS) is to provide services in support of protecting citizens and visitors by promoting safer communities through prevention, preparedness, response, recovery, education, and enforcement. The Office of Director (Office) is located in Carson City.

The Office provides leadership and establishes policy for the Department. The Office oversees the operations and administration of eight divisions and three offices of the Department. In addition, the Office is responsible for administering the Department's evidence vaults and forfeiture program.

The Office is funded primarily from cost allocation reimbursements from DPS divisions and forfeiture funds. During fiscal year 2014, cost allocation reimbursements totaled approximately \$4 million and forfeitures \$1.8 million. Expenditures for the same time period were approximately \$5.8 million. The 2013 legislative approved budget included 44 authorized full-time positions for the Office.

Purpose of Audit

The purpose of this audit was to (1) evaluate the accuracy of the evidence vault inventory, and assess the adequacy of the inventory system access controls; and (2) determine whether seized currency is processed timely in accordance with DPS policy and state requirements.

This audit focused on evidence vault activities as of March 2014, and included forfeiture activities for fiscal years 2011 to 2013.

Audit Recommendations

This audit report contains three recommendations to improve controls over the Office's evidence vault activities.

The Office accepted the three recommendations.

Recommendation Status

The Office's 60-day plan for corrective action is due on March 2, 2015. In addition, the six-month report on the status of audit recommendations is due on September 2, 2015.

Office of Director

Department of Public Safety

Summary

The Office has made several improvements in recent years to ensure items submitted into the evidence vaults by enforcement officers are adequately tracked. Our testing of 450 items throughout the State verified adequate recordkeeping for items highly susceptible to theft. However, certain control activities for the evidence vault can be improved. For example, the Office does not have an adequate process to monitor changes to the vault inventory system to reduce the risk of fraud or errors. In addition, the Office needs to develop a plan to address all recommendations from an extensive review of the evidence vaults by a consultant. Lastly, most currency that was seized and subject to forfeiture was not processed timely in accordance with Department policy.

Key Findings

The Office has maintained sufficient inventory records to ensure items submitted into the evidence vaults by enforcement officers are adequately tracked. We traveled to Elko, Las Vegas, and Reno to verify the existence of items highly susceptible to theft. Our testing verified adequate recordkeeping for 448 of 450 items selected. Only two items did not have complete documentation to verify the location or proper destruction of the evidence. These missing items were relatively small quantities of drugs that were apparently checked out to a court in 2007. The Office has taken several steps to improve evidence vault controls. These steps include implementing a new inventory system in 2008, consolidating vaults in 2011, and hiring a vault manager. (page 4)

The Office does not have an adequate process to monitor changes made to the vault inventory system. Vault employees make frequent changes to the inventory system when evidence is received, moved, and destroyed. As of June 2014, 10 employees had the ability to modify all fields within the inventory system and could also access items in the vault. Since the inventory database fields can be modified at any time, there is an increased risk that errors or theft could occur and go undetected. Although it is common practice for vault employees to have access to both the inventory system and physical inventory, the Office should develop one or more compensating controls to improve vault oversight. For example, oversight can be accomplished by having management reports to monitor inventory changes. (page 5)

The Office needs to develop a plan to ensure all recommendations from an extensive evidence vault review are adequately addressed. In 2012, the Office hired a consultant for \$68,900 to identify areas of improvement and ensure its vaults met recognized best practices. In May 2013, the consultant made 147 recommendations to improve evidence vault controls and processes. However, the Office prepared a written response to only the 40 most critical recommendations identified by the consultant. After we inquired about the recommendations not addressed, the Office agreed with the majority of these recommendations. Without a plan to address the recommendations, it is unlikely the maximum benefit from the consultant's report will be realized. (page 7)

The Office needs to improve its efforts to ensure seized currency is processed timely. We reviewed 205 currency seizures and found that 124 (60%) were not deposited in the state forfeiture account or remitted to a federal enforcement agency within 48 hours. When seized currency is submitted into the vault, staff is responsible for depositing the currency or converting it into a cashier's check to be sent to the controlling federal agency. Although the DPS policy is to deposit or convert the seized currency within 48 hours, we found the average time to deposit or convert seized currency was 27 days for the exceptions identified. Some seized currency was held for long periods before deposit or conversion. For example, \$3,943 was held for almost 2 years. Timely processing is important because currency is highly susceptible to theft. During fiscal years 2011 to 2013, the DPS processed approximately \$3.5 million in currency seizures. (page 9)

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This report contains the findings, conclusions, and recommendations from our performance audit of the Department of Public Safety, Office of Director. This audit was conducted pursuant to the ongoing program of the Legislative Auditor as authorized by the Legislative Commission. The purpose of legislative audits is to improve state government by providing the Legislature, state officials, and Nevada citizens with independent and reliable information about the operations of state agencies, programs, activities, and functions.

This report includes three recommendations to improve controls over the Office's evidence vault activities. We are available to discuss these recommendations or any other items in the report with any legislative committees, individual legislators, or other state officials.

Respectfully submitted,

Paul V. Townsend, CPA
Legislative Auditor

November 13, 2014
Carson City, Nevada

Office of Director Table of Contents

Introduction	1
Background.....	1
Scope and Objectives	3
Evidence Vault Inventory Adequately Tracked, but Controls Can Be Improved.....	4
Evidence Vault Inventory Adequately Tracked	4
Controls Over the Vault Inventory System Can Be Improved	5
Complete and Timely Resolution of Consultant Recommendations Is Needed.....	7
Seized Currency Not Processed Timely	9
Appendices	
A. Audit Methodology.....	11
B. Response From the Office of Director	14

Introduction

Background

The Department of Public Safety (DPS) was created in 2001. Prior to 2001, DPS was part of the Department of Motor Vehicles and Public Safety. The Department's mission is to provide services in support of protecting citizens and visitors by promoting safer communities through prevention, preparedness, response, recovery, education, and enforcement.

The Office of Director (Office) is located in Carson City. The Office provides leadership and establishes policy for the Department. The Office oversees the operations and administration of the following eight divisions of the Department:

- Investigation
- Nevada Highway Patrol
- Emergency Management
- State Fire Marshal
- Parole and Probation
- Capitol Police
- Training
- General Services

In addition, the Office is responsible for administering the following activities:

Evidence Vaults – The evidence vaults provide for the proper storage, safeguarding, or destruction of property obtained in connection with DPS responsibilities. In 2011, the Department's evidence vaults throughout the State were consolidated into three vaults located in Elko, Las Vegas, and Reno. The primary users of the evidence vaults within the Department are the Divisions of

Highway Patrol, Investigation, and Parole and Probation. Other users include the Divisions of Capitol Police, State Fire Marshal, Training, and the Office of Professional Responsibility.

Seizures/Forfeitures – The Department as a law enforcement agency has the statutory authority to seize and liquidate property associated with specified controlled substances offenses. Seized property is booked into the evidence vault subject to forfeiture. In many cases, the Department collaborates with federal agencies to enforce criminal laws. Therefore, there are two types of seizures, state and federal. The forfeiture of state seizures is handled as a civil matter by the Office of Attorney General. The forfeiture of federal seizures is handled by the U.S. Department of Justice. Federal forfeiture funds are shared among federal, state, and local agencies in accordance with the Department of Justice Asset Forfeiture Program. State and federal forfeiture funds are used to help support non-routine and specialized law enforcement activities such as conferences, specialized training, capital outlays, and the purchase of specialized technical equipment.

Office of Professional Responsibility (OPR) – The OPR conducts administrative investigations of Department employees and provides investigative assistance and training to all DPS divisions.

Budget and Staffing

The Office is funded primarily from cost allocation reimbursements from DPS divisions and forfeiture funds. During fiscal year 2014, cost allocation reimbursements totaled approximately \$4 million and forfeitures \$1.8 million. Expenditures for the same time period were approximately \$5.8 million. The 2013 legislative approved budget included 44 authorized full-time positions for the Office.

The Office of Director also provides oversight of the Office of Criminal Justice Assistance and the Office of Traffic Safety. These two offices function similar to a division.

Office of Criminal Justice Assistance (OCJA) – The OCJA was established in 1987 and is located in Carson City. This Office administers grant funds to state and local units of government and

Native American tribes performing law enforcement functions and programs to improve the criminal justice system.

During fiscal year 2014, expenditures totaled approximately \$3.5 million. The 2013 legislative approved budget authorized four full-time positions for the OCJA.

Office of Traffic Safety (OTS) – The OTS was established in 2005 and is located in Carson City. OTS is the federally recognized Highway Safety Office for the State of Nevada. The DPS Director serves as the Governor’s Highway Safety Representative. This Office awards federal funds to state, local and non-profit organizations desiring to partner in solving Nevada traffic safety problems.

During fiscal year 2014, expenditures totaled approximately \$11.2 million. The 2013 legislative approved budget authorized 12 full-time positions for the OTS.

Scope and Objectives

This audit focused on evidence vault activities as of March 2014, and included forfeiture activities for fiscal years 2011 to 2013. Our audit objectives were to:

- Evaluate the accuracy of the evidence vault inventory, and assess the adequacy of the inventory system access controls.
- Determine whether seized currency is processed timely in accordance with DPS policy and state requirements.

This audit is part of the ongoing program of the Legislative Auditor as authorized by the Legislative Commission, and was made pursuant to the provisions of NRS 218G.010 to 218G.350. The Legislative Auditor conducts audits as part of the Legislature’s oversight responsibility for public programs. The purpose of legislative audits is to improve state government by providing the Legislature, state officials, and Nevada citizens with independent and reliable information about the operations of state agencies, programs, activities, and functions.

Evidence Vault Inventory Adequately Tracked, but Controls Can Be Improved

The Office has made several improvements in recent years to ensure items submitted into the evidence vaults by enforcement officers are adequately tracked. Our testing of 450 items throughout the State verified adequate recordkeeping for items highly susceptible to theft. However, certain control activities for the evidence vault can be improved. For example, the Office does not have an adequate process to monitor changes to the vault inventory system to reduce the risk of fraud or errors. In addition, the Office needs to develop a plan to address all recommendations from an extensive review of the evidence vaults by a consultant. Lastly, most currency that was seized and subject to forfeiture was not processed timely in accordance with Department policy.

Evidence Vault Inventory Adequately Tracked

The Office has maintained sufficient inventory records to ensure items submitted into the evidence vaults by enforcement officers are adequately tracked. We traveled to Elko, Las Vegas, and Reno to verify the existence of items highly susceptible to theft. Our testing verified adequate recordkeeping for 448 of 450 items selected. Only two items did not have complete documentation to verify the location or proper destruction of the evidence. These missing items were relatively small quantities of drugs that were apparently checked out to a court in 2007. The Office has taken several steps to improve evidence vault controls. These steps include implementing a new inventory system in 2008, consolidating vaults in 2011, and hiring a vault manager.

In most instances we physically located the item in the evidence vault. However, for 29 items we reviewed files for proper destruction records or transfer of the items to an authorized

location. For the two missing items, staff obtained documents showing the items were authorized to be destroyed in 2008, but records to verify the destruction were not provided.

Recordkeeping is important because items are frequently checked out to courts, crime labs, investigators, and prosecutors. In addition, items are often destroyed when no longer needed.

Over a period of years, the DPS has improved its processes for securing and tracking evidence or other property obtained in connection with its responsibilities. In 2008, a new vault inventory system was implemented to track the movement of each item in the vaults from initial submission to destruction. In 2011, the Office consolidated the vaults throughout the State into three vaults and a vault manager was hired. After the consolidation, management recognized the need to evaluate evidence vault controls and processes and contracted with a consultant to perform a review. In 2012, the consultant performed an extensive review of vault controls and processes; however, a physical inventory was not performed. The implementation of consultant recommendations is addressed later in this report.

Controls Over the Vault Inventory System Can Be Improved

The Office does not have an adequate process to monitor changes made to the vault inventory system. Vault employees make frequent changes to the inventory system when evidence is received, moved, and destroyed. As of June 2014, 10 employees had the ability to modify all fields within the inventory system and could also access items in the vault. Since the inventory database fields can be modified at any time, there is an increased risk that errors or theft could occur and go undetected.

Although it is common practice for vault employees to have access to both the inventory system and physical inventory, the Office should develop one or more compensating controls to improve vault oversight. Oversight can be accomplished by having management reports to monitor inventory changes. In addition, the Office could restrict access to inventory database fields in certain situations.

Monitor Changes to the Vault Inventory System – The vault manager does not have an adequate process to monitor changes to the vault inventory system. Although a list can be generated showing the number of system edits that were made, modifications can only be reviewed one edit at a time. Because changes are frequent and occur when items are received, moved, or destroyed, it is not practical to review edits without a report. For example, a system report indicates one employee modified 1,166 records in a 3-month period.

Because the vault manager oversees the Elko, Las Vegas, and Reno vaults from Carson City, management reports would be helpful in monitoring vault activity. According to the vault manager, the inventory system vendor indicated it would cost approximately \$1,000 to \$1,500 to create reports to review changes to data fields. During our audit, the Office indicated it was seeking to use forfeiture funds to upgrade the current inventory system. Therefore, the Office could include management reports as part of the upgrade.

Access to Critical Data Fields – As an alternative or enhancement to reviewing inventory changes, the Office could restrict access to critical data fields. This would include data fields such as drug type, drug weight, or currency amount. These data fields are completed by enforcement officers when submitting evidence into the vault. Vault employees could still process most evidence timely, and changes to fields that are deemed critical could be reviewed and made by supervisory personnel.

Access by Vault Manager – In addition to management responsibilities, the vault manager performs vault inventory duties for evidence submitted at the Carson City temporary lockers. Because the manager has physical access to inventory, and has administrative and user access to modify the vault inventory system, key duties are not separated. As a compensating control, the Office could provide oversight of the temporary locker activities by reviewing reports once the system upgrade occurs.

State agencies should periodically evaluate their system of internal control to ensure employees' access to valuable items

and information is limited to persons who need access to perform their assigned duties. In most circumstances the Office has restricted users' access to the inventory system. However, the Office has opportunities to improve controls by monitoring inventory changes and reviewing access controls.

Complete and Timely Resolution of Consultant Recommendations Is Needed

The Office needs to develop a plan to ensure all recommendations from an extensive evidence vault review are adequately addressed. In 2012, the Office hired a consultant for \$68,900 to identify areas of improvement and ensure its vaults met recognized best practices. In May 2013, the consultant made 147 recommendations to improve evidence vault controls and processes. However, the Office prepared a written response to only the 40 most critical recommendations identified by the consultant. After we inquired about the recommendations not addressed, the Office agreed with the majority of these recommendations. Without a plan to address the recommendations, it is unlikely the maximum benefit from the consultant's report will be realized.

The consultant made 147 recommendations related to areas such as training (9), policies and internal control (12), facilities, temporary storage and security (29), packaging and storage (38), documentation (39), and disposal (20). In January 2014, the Office evaluated the 40 most critical recommendations; however, many valid recommendations for improvement were not addressed. The following are examples of recommendations the Office agreed with, but did not include in their written response:

- Packaging - The consultant recommended standardizing the packaging and sealing of handguns in all three vaults. After we inquired about this recommendation, the Office agreed to standardize this practice.
- Long-Term Storage of Flammables – The consultant noted that the evidence vaults have flammable materials storage areas, but none of the flammable storage areas have been reviewed or approved by a fire marshal/fire department. Inspection of storage areas is important because the vault receives numerous vehicle fuel samples and items such as propane. The Office agreed to have the State Fire Marshal

review the storage containers after we inquired about this recommendation.

- Detailed Operating Procedures – The consultant made many detailed recommendations related to policies and procedures. The Office agreed with the need to update the procedures, but their written response did not indicate which specific recommendations would be addressed.

We also reviewed the status of the consultant's recommendations related to our testing of the vault inventory and certain access controls. Several of the consultant's recommendations related to our work were not yet implemented.

- Currency – The consultant reported that the Department does not have the ability to keep a running total of currency on hand in each of the evidence vaults. During our testing, we found that the inventory software system has a currency field to enter currency totals; however, the amounts are not always entered. The Office indicated that the next inventory system upgrade will include a function that will keep a running total of currency for each evidence vault.
- Hard Key Inventory and Electronic Key Cards - An inventory of hard keys and key cards had not been completed as recommended. During our audit, we identified a disabled electronic key card reader for a door at the Las Vegas vault. Because the card reader was disabled, there was no record of employees who accessed a specific area within the vault. If the inventory of keys was completed and the key card reports were reviewed, the disabled card reader would have been discovered earlier.

The Office agreed to conduct an inventory of keys and indicated that a quarterly report from the electronic key card system would be reviewed. When we followed-up on this recommendation, the Office provided a list of hard keys reported by employees for each vault. A listing of keys is a good start; however, a detailed inventory is needed for both hard keys and key cards.

- Operating Procedures – Department-wide evidence vault procedures have not been completed as recommended. The Department's policies offer some guidance, but detailed operating procedures are needed to provide greater assurance that employees perform responsibilities

and functions consistently and correctly. The Office intended to complete the operating procedures by April 2014; however, the completion deadline was extended to January 2015.

A good system of internal control includes ensuring that the findings of audits and other reviews are promptly resolved. Although management was proactive in hiring a consultant to identify potential control weaknesses from the evidence vault consolidation, the Office has not developed a plan to address all of the recommendations and monitor the progress for implementation. Each recommendation accepted by the Office should be prioritized and include an estimated time for implementation. Management should periodically review the Office's progress to ensure all recommendations are implemented to the extent practical.

Seized Currency Not Processed Timely

The Office needs to improve its efforts to ensure seized currency is processed timely. We reviewed 205 currency seizures and found that 124 (60%) were not deposited in the state forfeiture account or remitted to a federal enforcement agency within 48 hours. When seized currency is submitted into the vault, staff is responsible for depositing the currency or converting it into a cashier's check to be sent to the controlling federal agency. Although the DPS policy is to deposit or convert the seized currency within 48 hours, we found the average time to deposit or convert seized currency was 27 days for the exceptions identified. Some seized currency was held for long periods before deposit or conversion:

- \$3,943 was held for almost 2 years
- \$2,040 was held for over 5 months
- \$4,760 was held for over 3 months

Timely processing is important because currency is highly susceptible to theft. During fiscal years 2011 to 2013 the DPS processed approximately \$3.5 million in state and federal currency seizures. In addition, funds from seizures cannot be used for law enforcement activities until the seizure is processed and declared forfeited.

The Office has not established a procedure to ensure seized currency is processed timely. Under NRS 179.1175 an agency that seizes currency, unless otherwise ordered by the court, shall deposit the currency in an interest-bearing account maintained for the purpose of holding currency seized by the agency. The DPS adopted a policy requiring seized currency to be deposited into the appropriate asset forfeiture account or converted to a cashier's check within 48 hours after receipt of the seized currency by the evidence technician.

Recommendations

1. Establish controls to ensure modifications made to the vault inventory system are appropriate.
2. Develop a written plan that addresses all recommendations from the consultant's 2012 evidence vault report, and monitor the implementation progress of accepted recommendations.
3. Ensure seized currency is processed timely in accordance with the Department of Public Safety's policies.

Appendix A

Audit Methodology

To gain an understanding of the Department of Public Safety, Office of Director, we interviewed staff and reviewed statutes, policies, and procedures significant to the Office's operations. We also reviewed financial information, legislative committee minutes, and other information describing the Office's operations. Furthermore, we documented and assessed internal controls over the evidence vault inventory system and forfeitures. We also reviewed the results from a 2012 consultant's evaluation of the evidence vault controls and processes and inquired about the progress made on the recommendations related to our audit objectives.

To evaluate the accuracy of the evidence vault inventory, we obtained the inventory listing for all vaults as of March 20, 2014. We judgmentally selected 450 items from the vault inventory listing. Judgment was based on items that were highly susceptible to theft. Our selection included items such as cash, drugs, and firearms. The number of items tested at each location was based on the population for each vault. We physically verified each item or reviewed destruction or transfer records, as applicable. To test the completeness of the inventory, we judgmentally selected enforcement officer's reports from the Divisions of Highway Patrol, Investigation, and Parole and Probation and reviewed cases with items submitted to the vault. We traced 60 items from the case reports to the vault inventory listing.

To evaluate access controls to the vault inventory system we obtained a listing of system users. We also obtained the Department's listing of employees terminated between January 1, 2011, and December 31, 2013. We compared the system users against the list of terminated employees. Next, we reviewed the permissions for each user group and evaluated user access for

appropriateness. In addition, we interviewed an inventory system vendor representative to gain a better understanding of the inventory system access controls.

We also followed-up with the Office on their plan of action for the recommendations from the 2012 consultant's report. First, we requested the 2012 consultant's report on the evidence vault controls and responses to the recommendations. We compared the recommendations in the report to the responses. We identified the number of recommendations without a response and requested a response for each. Lastly, we followed-up on the status of recommendations applicable to our audit objectives.

To determine whether seized currency was processed timely and in accordance with DPS policy and state requirements, we first obtained a listing from the inventory system of seized currency during the audit period. We filtered the listing by fiscal year and separately identified state and federal seizures. To verify accuracy, we compared the date collected on the listing to the date collected on the enforcement officer's reports. Next, we obtained the forfeiture deposit logs from the Divisions of Highway Patrol, Investigation, and Parole and Probation. To test the reliability of the information on the forfeiture log, we traced the date on 15 deposit slips to the date listed on the forfeiture log and determined the logs were sufficient and appropriate to establish a deposit date.

To test the processing timeliness, we traced each seized currency item from the inventory listing to the bank transaction (deposit slip or cashier's check) or to the appropriate forfeiture log. We also verified the dollar amount and documented whether the currency was deposited or converted to cashier's check within 48 hours in accordance with Department policy.

To determine if seized currency was processed in accordance with statutory requirements, we randomly selected 23 federal seizures for review. We traced the forfeiture amount for each to the source document to determine whether the seizure was handled appropriately.

For our sample design, we used nonstatistical audit sampling, which was the most appropriate method for concluding on our audit objectives. Based on our professional judgment, review of sampling guidance, and consideration of underlying statistical concepts, we believe that nonstatistical sampling provided sufficient appropriate audit evidence to support the conclusions in our report. We present more detailed information about our methodologies in the individual report sections.

Our audit work was conducted from January to August 2014. 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.

In accordance with NRS 218G.230, we furnished a copy of our preliminary report to the Director of the Department of Public Safety. On November 4, 2014, we met with agency officials to discuss the results of the audit and requested a written response to the preliminary report. That response is contained in Appendix B which begins on page 14.

Contributors to this report included:

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Appendix B

Response From the Office of Director

Brian Sandoval
Governor



James M. Wright
Director

Jackie Muth
Deputy Director

Director's Office

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November 13, 2014

Paul V. Townsend, CPA
Legislative Auditor
401 Carson Street
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Dear Mr. Townsend,

It has been our pleasure to work with you and your staff over the last six months while auditing our Evidence Vault. They have been very professional and considerate while working with our staff to minimize the impact to our small operation.

We have thoroughly reviewed your audit findings and are pleased that the steps taken to improve our evidence vaults' operations and security were recognized and can assure you that those efforts will continue.

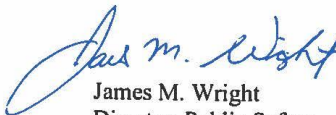
In accordance with the due date outlined in your audit findings, the Evidence Vault provides the following responses to your audit recommendations.

1. Establish controls to ensure modifications made to the vault inventory system are appropriate.
 - a. While it has been the practice to spot check modifications within FileOnQ (inventory system) it is a lengthy process and requires a number of fields to be reviewed individually by individual evidence barcode. The division plans to implement management reports as part of the upgrade for FileOnQ budgeted for SFY 16. The management reports would identify modifications made within the system. Therefore, the division accepts the first recommendation.

Capitol Police • Office of Criminal Justice Assistance • Emergency Management/Homeland Security
State Fire Marshal • General Services • Highway Patrol • Investigations • Parole and Probation • Office of Professional Responsibility
Office of Traffic Safety • Training • Board of Parole Commissioners • Emergency Response Commission

2. Develop a written plan that addresses all recommendations from the consultant's 2012 evidence vault report, and monitor the implementation progress of accepted recommendations.
 - a. The consultant's evidence vault report was requested as the evidence management team had the opportunity to engage an expert to ensure the changes taking place following the centralization were moving in the right direction and that nothing of concern was overlooked. The review identified 40 areas of priority. These were reviewed carefully by the Director, Deputy Director, ASO IV, ASO 3 and the Evidence Vault Manager (EVM). Action plans or responses were put in place for those areas that were deemed critical. The remaining suggestions were helpful and particularly dealt with the lack of written procedures. It was agreed there was a need for procedures, and a plan of action was implemented indicating procedures would be completed by January 2015. A spreadsheet was devised to track all of the consultant's recommendations. The spreadsheet includes each recommendation, and whether or not it was accepted. It also includes the action plan if accepted, and the date the action plan was implemented. With this tool in place the division accepts the second recommendation.
3. Ensure seized currency is processed timely in accordance with the Department of Public Safety's Policy.
 - a. Public Safety Policy required cash seized under the Forfeitures Act would be deposited within 48 hours. The difficulty experienced by some of the task forces was whether or not the cash would be seized under state or federal law, and which agency would take the lead. Until those decisions were made the currency could not be deposited. Because of the ambiguity, there was a lack of follow up from the Evidence Technicians. This has been corrected. The EVM has met with all appropriate division heads individually and has been instrumental in reviewing the inter-local agreements and clarifying the ambiguous issues. However, it has been determined that 48 hours is not enough time to ensure compliance due to holidays, and limited Evidence Vault staff in addition for the Officer to determine the method of seizure. The Public Safety policy has been amended to allow five business days before the cash is deposited or converted to a cashier's check depending on which method of seizure is determined by the officers. Therefore the division accepts the third recommendation.

Sincerely,



James M. Wright
Director, Public Safety

cc: Jackie Muth, Deputy Director
Sheri Brueggemann, Administrative Services Officer IV
Sylvia Terrazas, Evidence Vault Manager

Office of Director's Response to Audit Recommendations

<u>Recommendations</u>	<u>Accepted</u>	<u>Rejected</u>
1. Establish controls to ensure modifications made to the vault inventory system are appropriate	<u> X </u>	<u> </u>
2. Develop a written plan that addresses all recommendations from the consultant's 2012 evidence vault report, and monitor the implementation progress of accepted recommendations.....	<u> X </u>	<u> </u>
3. Ensure seized currency is processed timely in accordance with the Department of Public Safety's policies	<u> X </u>	<u> </u>
TOTALS	<u> 3 </u>	<u> </u>