



Sheriff's Office Inventory and Training

Internal Audit

March 2015

Bernalillo County Internal Audit Sheriff's Office Inventory and Training

Executive Summary

SUMMARY OF PROCEDURES

REDW performed an internal audit of the Sheriff's Office controls over inventory and training. To gain an understanding of the processes and controls in place, we interviewed selected personnel and read applicable policies and procedures (P/P), laws and regulations.

We performed the following procedures:

- Tested the existence and completeness of the armory inventory listing by tracing items from the inventory listing to the armory and from the armory to the inventory listing. Additionally, we tested that the most recent annual count was performed.
- Tested the most recent inventory purchase to ensure all items were physically accounted for either in the warehouse or assigned to a deputy.
- Tested a sample of individual deputy inventory sheets kept in Sheriff's Office inventory to ensure items were properly assigned to personnel and tracked.
- Tested the procedures in place to track inventory received back after termination/ resignation/ retirement.
- Tested a sample of deputies and cadets to ensure that minimum training requirements were met.
- Tested a sample of instructors to ensure that application requirements and teaching requirements (as applicable) were met.
- Tested a sample of training classes taught during the year to ensure that sign in sheets were maintained and certified instructors were used.

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

We found areas during the course of the audit where controls were functioning properly and established procedures were followed. The process to track and monitor state mandated training requirements was functioning properly. Additionally, specialized equipment was only assigned to deputies that had obtained required specialized training. Training files were well organized in a consistent manner.

Significant high and moderate risk observations are presented below:

- **Inventory Tracking**—The Sheriff’s Office does not have a process in place to track inventory in the warehouse in a way to prevent theft or loss. There was no inventory count performed in calendar year 2014. An inventory tracking system should be created and policies and procedures updated to ensure that all inventory is tracked.
- **Firearm Tracking**—There were discrepancies in the firearms maintained and the inventory listings. All firearms were subsequently located by the department. Additionally, the process to track and organize firearms does not appear to be adequate. A physical count at the armory should be performed to ensure all firearms are tracked on the listing including the serial number and/or tag number.
- **Firearm Qualifications**—Instances were identified where deputies were carrying firearms they had not qualified with, or had qualified with firearms that were not tracked on inventory. The armory should implement a process to allow for accurate monitoring of firearms (personal or department issued) that deputies are carrying on duty.
- **Assignment of Inventory**—Discrepancies were identified between the personnel inventory sheet when compared to the inventory system and the inventory in the possession of the deputies. BCSO should create a process that requires the transfer in/out forms to be utilized and the system updated on a regular basis in order to accurately track the inventory items.
- **Instructor Certification**—Training classes were identified where certified instructors were not utilized and no other certified instructors present at these trainings. A process should be implemented to monitor instructor certifications and ensure that all classes are led by an instructor that has taken basic instructor training and is certified with the New Mexico Law Enforcement Academy.

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Further detail of our purpose, objectives, scope, procedures, observations, and recommendations are included in the internal audit report. In that report, management describes the corrective action taken for each observation.

We received excellent cooperation and assistance from the Sheriff’s Office during the course of our interviews and testing. We sincerely appreciate the courtesy extended to our personnel.

REDW LLC

Albuquerque, New Mexico
April 23, 2015

Bernalillo County Internal Audit Sheriff's Office Inventory and Training

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Bernalillo County Internal Audit Sheriff's Office Inventory and Training Report

INTRODUCTION

We performed the internal audit services described below solely to assist Bernalillo County in evaluating compliance with policies and procedures relating to the tracking and monitoring of inventory and training process. Our services were conducted in accordance with the Consulting Standards issued by the American Institute of Certified Public Accountants, Generally Accepted Government Auditing Standards, and the terms of our contract agreement for internal audit services. Since our procedures were applied to samples of transactions and processes, it is possible that significant issues related to the areas tested may not have been identified.

An entrance conference was held on March 4, 2015, at which time most items needed for the audit were requested and had been received. Fieldwork began the week of March 16, 2015. An exit conference was held on April 9, 2015, and final management responses were received on April 23, 2015.

Although we have included management's responses in our report, we do not take responsibility for the sufficiency of these responses or the effective implementation of any corrective action.

PURPOSE AND OBJECTIVES

Our internal audit focused on evaluating whether processes were in place to monitor and track inventory and training and to determine if those processes were in compliance with policies and procedures (P&Ps), applicable regulations, and reflected best practices and sound internal controls. We evaluated the adequacy and reasonableness of the internal controls surrounding the Sheriff's Office (BCSO) to include tracking and monitoring of inventory and training records. We tested monitoring of training hour requirements were met, and we tested for compliance with the County's Inventory Policy.

SCOPE AND PROCEDURES PERFORMED

In order to gain an understanding of the processes and operations surrounding inventory tracking and training at the Sheriff's Office, we interviewed the following personnel:

- Captain Matthew Thomas, Professional Standards Division
- Lieutenant Craig Sevier, Director of Training
- Lieutenant Robert Lind, Assistant Division Commander

In order to understand policies and procedures over inventory and training we read relevant portions of:

- The Bernalillo County Sheriff's Office Firearms Procedures Memo dated August 8, 2014.
- The Bernalillo County Sheriff's Office rules and regulations:
 - 206 Department Property and Inventory dated May 5, 2014,
 - 218 Advanced and In-service Training dated June 16, 2014,
 - 246: Authorized Firearms/Ammunition and Firearms Qualifications dated May 21, 2014.
- Bernalillo County Deputy Sheriff's Association (BCDSA) Article 32: Firearms Qualifications.
- Instructor Certification 10.029.0004 of the New Mexico Administrative Code (NMAC); Certification by Waiver 10.029.006 of the NMAC; In-Service Training Requirements 10.029.0007 of the NMAC; and Officer Transition Training Program 10.029.0008 of the NMAC.

We performed the following testwork:

Instructor certification and training: We gained an understanding of the processes performed by the County to monitor compliance with the state mandated application and certification requirements. We obtained a listing of all internal trainers at the department (excluding Field Training Officers) as of March 2015 (total population of 94) and selected a random sample of five trainers. We tested to determine if:

- The State issued certificates were on file,
- Certificates from mandated officer training classes were on file,
- Rosters from classes taught were on file, if required,
- The instructor met the years of service requirement.

We also obtained a listing of all training classes offered during 2014 (population of 94, excluding self-studies) and selected a random sample of 18 courses. We verified the roster and certificates issued were maintained for each class. Additionally, we compared the instructors utilized against the current listing of certified instructors to ensure that the lead instructor on each course was certified.

Deputy training: We gained an understanding of the processes performed by the County to monitor compliance with the State mandated biennial training requirements and special weapons

training. We obtained a listing of all BCSO personnel as of December 2014 (total population of 306) and selected a random sample of 21. We tested to ensure the BCSO personnel completed the required 40 hours of biennial training by verifying the sign in sheets and certificates for the classes taken. We also examined the qualification cards from 2014 to ensure each Deputy met the quarterly qualification requirements.

Warehouse inventory: We gained an understanding of the processes performed by the County to monitor compliance with the inventory policy requirements. We utilized the sample selected for monitoring training requirements to test inventory tracking. We tested to determine if:

- The personal inventory sheet was filled out by the employee and signed by the supervisor,
- The inventory listed on the personal inventory sheet agreed to the BCSO system,
- The inventory was in line with their position in the department.

Additionally, we selected seven deputies and verified the inventory carried by the deputy agreed to the personal inventory sheet and the system.

We selected four terminated deputies and tested that documentation was maintained indicating that all inventory was turned back in at time of termination.

Additionally, we tested the most recent purchase to ensure that all documentation was maintained and that inventory was properly tracked.

Armory procedures: We gained an understanding of the processes performed by the County to track armory inventory. We obtained a listing of all firearms (total population of 226) and selected 10 firearms and agreed them to their location. We selected 15 firearms from the armory and agreed them to the listing of firearms.

Additionally, we requested documentation of the most recent annual count performed to ensure the count was completed timely, differences identified were investigated, and that the count was performed by an Inventory Technician and a qualified Rangemaster.

OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSE

We identified the following weaknesses relating to Bernalillo County's processes:

1. Inventory Tracking

Inventory in the warehouse does not appear to be tracked in a way to prevent items from being stolen or misplaced. Included in the warehouse are firearms, tasers, vests, voice recorders, badges, pepper spray, etc. Additionally, inventory was not counted in 2014, and there was no documentation kept on file of previous counts performed. There was no process in place specifically discussing how inventory in the warehouse should be tracked. The policy refers to a count being performed annually and requires a current inventory listing be maintained but it does not set out guidelines for the tracking of inventory.

Potential Risk: High—High value and potentially sensitive items could go missing without anyone knowing about it; however, the inventory warehouse is secured and overseen by inventory personnel. There are personnel assigned to the BCSO inventory area who could be utilized to consistently track the warehouse items.

Recommendation: An inventory tracking system should be created and policies and procedures updated to ensure that all inventory is tracked. This would allow for the annual count to be compared to the inventory listing and variances investigated. BCSO would then be able to determine if there are significant discrepancies between the listing and the count performed and if there are trends in what types of items that have discrepancies. BCSO should work with the Procurement and Business Services Department's inventory group to create and assist with this new process.

Management Response

We will follow the guidelines as referenced in the Bernalillo County Sheriff's Office rules and regulations 206 Department Property and Inventory and maintain a listing of the Sheriff's Department inventory. This listing will be maintained in an inventory system with three separate categories:

- a) items that will be placed in continuous use,
- b) items that are returned but no longer useable,
- c) items that are disposable and only tracked as they are ordered.

Items that are returned to the Inventory Section, but no longer useable, will be tracked as they are added to the Inventory Section and deleted as they are permanently removed from the Inventory Section.

We will then also follow-up with an annual count of the listed inventory as required in the Bernalillo County Sheriff's rules and regulations. The inventory will be maintained by the Inventory Technician. We expect to have this completed by November 2015.

2. Firearm Tracking

There were discrepancies between the firearms and the inventory listings. Firearm inventory is counted by a qualified Rangemaster and Inventory Technician annually and reconciled to the department inventory. The process to track and organize firearms does not appear to be adequate. We identified:

- No reconciliation process was documented during the Armory count performed on April 8, 2015,
- Eight of 15 firearms tested were not included on the Warehouse Inventory Report,
- Three of 10 firearms tested could not be located at the time of the audit but were subsequently located by staff,
- One if 10 firearms tested had been issued to a deputy, but had not been updated in the inventory system or the Warehouse Inventory Report.

Potential Risk: **High**—Firearms could be stolen or lost and the problem might not be identified in a timely manner.

Recommendation: A physical count at the armory should be performed to ensure all firearms are tracked on the listing including the serial number and/or tag number. A more detailed location should be added to the listing for ease of locating firearms. Also, consider organizing the firearms in a manner that makes it easy to count and to identify if any are missing.

Management Response:

We will follow the policies and procedures as set up by Bernalillo County Sheriff's Office Firearms Procedures Memo dated August 8, 2014 and Bernalillo County Sheriff's Office rules and regulations 206 Department Property and Inventory to ensure accurate inventory count of all firearms. A detailed inventory will be created with the description of, and location of, all firearms stored within the inventory section and range house. A quarterly spot inspection will be done to ensure this policy is being followed. The Sheriff's Department will purchase a new organizational system for firearms stored within the inventory section, which will ensure accountability and organization. This process will be overseen by the Range Master and we expect to have process in place and functioning by November 2015.

3. Firearm Qualifications

BCSO policy requires that all employees qualify every calendar quarter with the service handgun carried by the deputy while on duty.

- Five of 21 deputies tested had one or more firearms that they qualified with but were not included on their inventory listing. It was unclear if these firearms were personal items or BCSO issued,
- Four of 21 deputies tested had one or more firearms that were BCSO issued, but had not been used to meet the quarterly qualification requirement,
- One of 21 Qual cards tested was not dated; therefore, we were unable to determine if the deputy qualified timely that quarter.

Additionally, there was no system in place at the range to identify if deputies had qualified with all firearms carried while on duty. There was no process in place to monitor personal firearms being carried on duty to ensure that deputies are qualifying with these firearms.

Potential Risk: High—There is a risk that deputies could be carrying firearms (personal or department issued) they are not qualified with. Additionally, department issued firearms that are not tracked in inventory could be stolen or lost without being detected.

Recommendation: A process should be implemented to monitor personal firearms carried while on duty, to ensure that deputies have qualified with these firearms. Additionally, a system should be put in place that would allow the range masters to verify that all firearms carried by a deputy have been qualified with.

Management Response:

Inventory section will add, to the existing inventory sheet, a specific section that list any personally owned firearms that are being carried by sworn personnel.

Range Staff will verify with the inventory section that all firearms are listed, or not listed if the firearm is turned in, on the inventory sheet prior to the quarterly qualification and ensure that all duty carried firearms are qualified with each quarter.

This process will be overseen by the Range Master and be implemented and functional by November 2015.

4. Assignment of Inventory

Discrepancies were identified between the personnel inventory sheet, the inventory system and the inventory in the possession of the deputies.

- Four of 21 deputies had inventory items indicated as assigned to them in the system but not indicated as signed out on their personal inventory sheets. No transfer forms were identified in the file to indicate that items were turned back in. These items will be pursued by BCSO Inventory during their reconciliation process.
- Four of 21 deputies had inventory listed on their personal inventory sheet that was not shown on the inventory system as assigned to them. Additionally, there were no transfer forms in the file indicating additional inventory had been assigned.
- Four of seven deputies had discrepancies between what was in their possession and the inventory system or on their personal inventory sheet. Additionally, we were unable to identify transfer forms for these items that indicated they were assigned to the deputy.
- One of 21 deputy's personal inventory sheet had not been signed by the deputy or the supervisor.
- Three of 21 deputies had serial numbers on certain items (radio, voice recorder, flashlight) were different between the inventory sheet and the system or the actual serial number.

The policy refers to an inventory count being performed annually and requires current inventory to be established and maintained, but it does not set out guidelines for the use of transfer forms and updating the system on a regular basis to keep it current. Transfers in/out forms are not utilized on a consistent basis which could cause discrepancies between the inventory assigned and the system. These discrepancies may be created as there are various areas where inventory is assigned and no centralized communication back to BCSO inventory to track changes in the inventory assigned to the deputy.

Additionally, we identified two of four terminations where the documentation was not consistent to ensure that all inventory was turned in and reported to BCSO Inventory. The process of turning in all inventory at time of resignation, termination, or retirement, is not centralized with the SO Inventory department which could lead to discrepancies in the process.

*Potential Risk: **Moderate***—Without proper tracking inventory could be stolen or lost. While there is a process in place to investigate items that are removed from the inventory sheets there does not appear to be a process to assign out and continuously track changes within the system.

Recommendation: BCSO should create a process that requires the transfer in/out forms to be utilized and the system updated on a regular basis in order to accurately track the inventory items. Additionally, consider updating the process to allow for all changes to be reported back to BCSO Inventory which will allow them to update the system timely and allow for better tracking and accountability of inventory items. BCSO should work with the Procurement and Business Services Department's Inventory Section to create and assist with this process.

Management Response:

We will follow the guidelines as stated in the Bernalillo County Sheriff's Office rules and regulations 206 Department Property and implement the following processes:

Inventory sheets will be completed for all non-disposable equipment that is assigned to or received from sworn personnel. Any exchange of inventory between sworn personnel and the inventory section will be documented with an inventory transfer sheet. All inventory transfer sheets will be stored within the inventory section under controlled access. The Inventory Technician will ensure that the Inventory Sheets and the Inventory listing on the system are update in a timely manner.

All inventory sheets will be reviewed by a supervisor to ensure that serial numbers are correct and the inventory sheet has been completed properly.

Yearly inventory sheets will be completed by each sworn employee and maintained within the inventory section. Prior to destruction of any inventory sheet, an audit of all items listed on the inventory sheet will be completed to ensure those items are in the possession of the inventory section. All inventory sheets will be archived until the sworn employee's separation from the department.

This process is expected to be fully functional by November 2015.

5. Instructor Certification

To maintain quality of training classes offered, lead instructors should be certified through the New Mexico Law Enforcement Academy prior to teaching classes. Three of 18 training classes were identified where certified instructors were not utilized (two had gone through Basic Instructor Training (BIT) but were not certified through the New Mexico Law Enforcement Academy and one had let BIT lapse and additionally was not certified through the State). There were no other certified instructors present at these training classes.

There was no process in place to ensure that at least one instructor teaching the classes are currently certified with The New Mexico Law Enforcement Academy.

Potential Risk: Moderate—If instructors are not properly certified, training courses may not be valid.

Recommendation: A process should be implemented to monitor instructor certifications and ensure that all classes are led by an instructor that has taken BIT and is certified with the New Mexico Law Enforcement Academy. The policy should be updated to include that all lead instructors are required to be certified with the State.

Management Response:

To ensure policies are followed to meet the requirements in the Instructor Certification 10.029.0004 of the NM Administrative Code; Certification by Waiver 10.029.006 of the NMAC; In-Service Training Requirements 10.029.0007 of the NMAC; and Office Transition Training Program 10.029.0008 of the NMAC a policy will be implemented to certify that all instructors whom are instructing at the Bernalillo County Sheriff's Department Regional Training Academy will be Basic Instructor Training certified with the State of New Mexico Law Enforcement Academy. Instructor certificates will be reviewed yearly to ensure compliance with the new policy.

Department policy will be implemented that only instructors whom have completed the Basic Instructor Training course will teach all advanced training courses.

Checks will be completed by the In-Service Training Coordinator, to ensure that all instructors teaching at the Regional Training Academy are current on their Basic Instructor certification as they are scheduled.

Instructors without Basic Instructor certification will only teach new hire cadets and not advanced training courses.

This process will be overseen by the In-service Training Coordinator and expected to be implemented and functional by November 2015.

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This report is intended for the information and use of Bernalillo County management, the audit committee, members of the Board of Commissioners of Bernalillo County and others within the organization. However, this report is a matter of public record, and once accepted its distribution is not limited.

We discussed and resolved other minor observations with management and received excellent cooperation and assistance from the Bernalillo County Sheriff's Department during the course of our interviews and testing. We sincerely appreciate the courtesy extended to our personnel.

REDW LLC

Albuquerque, New Mexico
April 23, 2015