

AUDITOR
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Sheriff's Office High Risk Equipment and Supplies Management Audit

**Clark County Auditor's Office
Report #15-02**

August 20, 2015

Audit Services

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Executive Summary

Clark County uses a highly decentralized materials management system for procurement, warehousing, and many disposal functions. Materials management, including control of high risk, non-capital equipment and supplies is a departmental or separately elected official responsibility. For the purpose of this audit, “high risk” means items that require additional controls due to source (grant funded), vulnerability (small high value items) or risk of high public liability (danger to the public).

This audit focused on internal controls of high risk items controlled by the Sheriff’s Office. Our objectives were to evaluate the effectiveness of controls for three key areas:

1. Physical security of the storage facility and its access controls
2. High risk equipment (small durable items)
3. High risk supplies (expendable items of limited life)

Physical security of the storage facility and its access controls were effective. Access to the facility, the facility electronic security system, and keys were controlled. Access to the computer system and database were properly restricted. We commend the Sheriff’s Office for their facility security.

Control of high risk equipment was moderately effective. The Sheriff’s Office did not always maintain accurate inventories of high risk equipment. We evaluated firearms, ballistic vests and tactical radios. We found duty weapons had good internal controls; other firearms were not as well controlled.

- Three of twenty seized firearms were not in Asset Tracker, including one submachine gun.
- High risk equipment records had errors; 13 of 286 ballistic vests were past expiration dates.
- One portable radio of 11 sampled and one ballistic vest of 13 sampled could not be located.

Recommendations made to improve controls include inventory practices and training.

Control of high risk expendable supplies was ineffective. The Sheriff’s Office classifies ammunition as “Duty” or “Training”. Training ammunition is used in the on-range Firearms Training (FT) Program and individual Practice Ammunition (PA) Program. Because they were not using the inventory technique correctly, we were unable to determine how much ammunition of any type should have been on hand.

The PA Program is neither well controlled nor effective. The program is not well understood by employees; it lacks clear written guidance, and produces no measurable outcome. There is no accountability for ammunition after it had been distributed; the program has few controls and as implemented may be illegal. We could not determine if the practice ammunition had been expended. Depending on the year, 35% to 50% of the eligible deputies received practice ammunition, for an annual value between \$100,000 and \$150,000. We found the Sheriff’s Office did not have a process to identify high risk items or to evaluate if controls were adequate. The inventory for high risk items was not reliable or accurate; management attributes the accuracy issue to limited training and high staff turnover. We found staff to be energetic, cooperative and open to improving procedures.

Recommendations to improve high risk supply controls include clarifying written guidance, improving training and enforcing supply controls. We recommend the PA Program be significantly modified or ended based on its cost and lack of evidence of effectiveness. It is worth noting that PA Program’s accountability issues appear to have existed for over a decade.

Some recommendations describe options that are beyond the responsibility of Logistics staff; these recommendations address policy and procedures that are Sheriff’s Office-wide and require action by senior management.

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A. Introduction

The Clark County Sheriff's Office is the fourth largest Sheriff's Office in the state based on total employees. It has been continuously accredited through the Commission on Accreditation for Law Enforcement Agencies since 1986.

In 2015 the Sheriff's Office experienced significant change in leadership with a new Sheriff, Undersheriff, and other senior management within the organization. The current staffing for the Sheriff's Office is shown in the chart below.

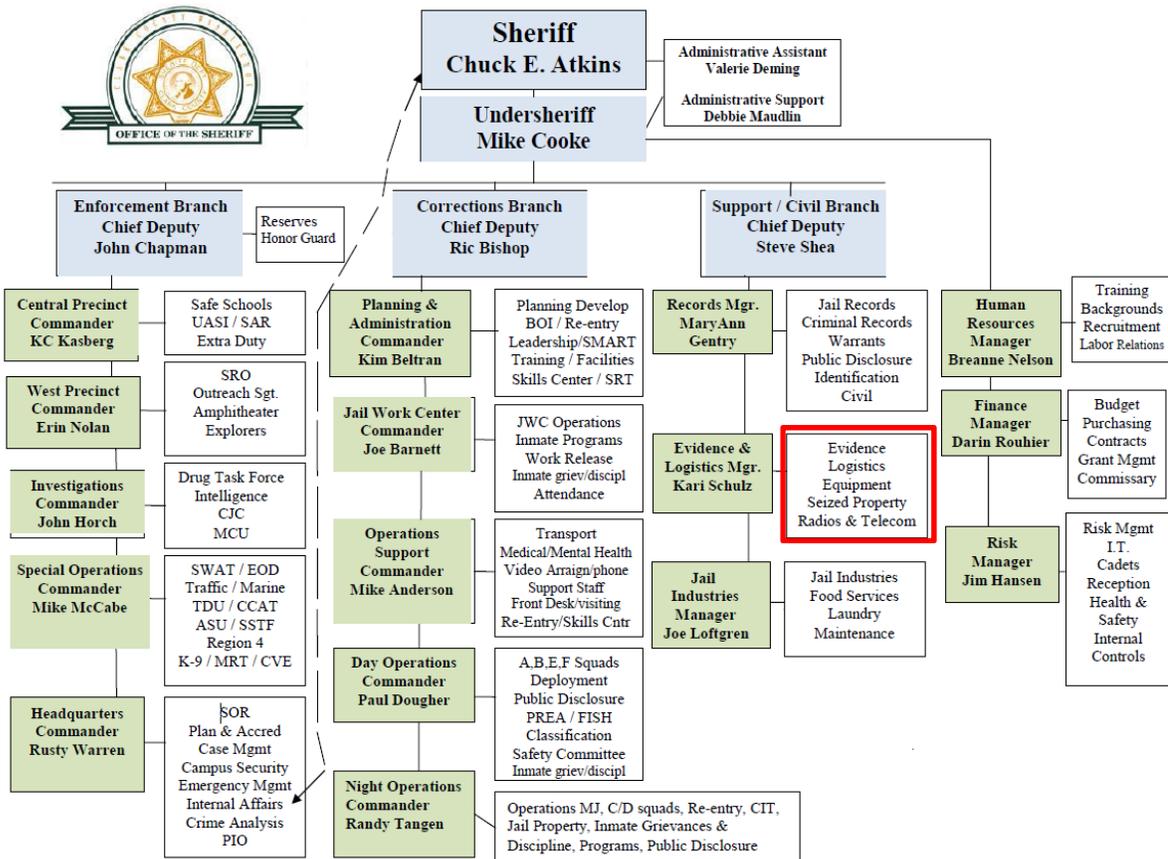


Figure 1: Sheriff's Office Organizational Structure, June 2015

Organization wide, the Sheriff's Office consists of about 410 full time employees and 35 reserve deputies. Approximately 247 of the sworn personnel are approved to carry weapons, receive equipment, and use ammunition for practice or training.

The majority of our work was focused on the Sheriff's Office Logistics Team, which consists of five people: The evidence and logistics manager; two logistics assistants; and two cadets. This is shown in *figure 2*.

The Logistics team is responsible for all aspects of logistics support issues for the Sheriff's Office and Corrections Facility.

We also interviewed and discussed weapons and ammunition issues with two of the training sergeants as well as one of the approximately twelve trained Armorers. Their input has been included where appropriate.

The Audit's main focus within the Sheriff's Office was the Logistics Management function, highlighted in *figure 1, Sheriff's Office Organizational Chart*.

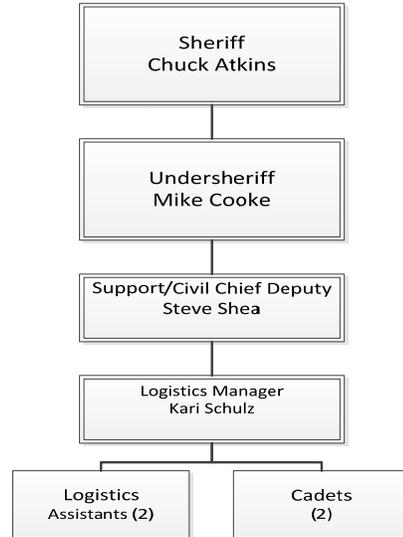


Figure 2: Logistics Organization

Summary



The main focus was the Logistics organization.

B. Why This Audit Topic Was Selected

Selection of this audit was based on several factors including:

- ✓ Results of similar audits in other jurisdictions;
- ✓ County-wide concerns voiced by employees within Public Works, Facilities and General Services;
- ✓ No local audit work has been done in this area for over ten years.

This audit is the first of a series of three organization audits focusing on high risk supplies and equipment planned within Clark County organizations using similar criteria.

The major organizations with the highest risk in these areas based on size, complexity of operations and existing procedures are the Sheriff's Office, Public Works (including Grounds, Fleet and Parks), and General Services (to include Facilities and Information Services). While other areas also have elevated risk, we believe the information provided by these three organizations would provide a good representation of the policies and procedures used to address the risk county-wide.

C. Summarized Objectives, Scope, and Methodology

This performance audit was undertaken to determine if the Clark County Sheriff's Office provides adequate security, storage and controls for high risk, high value items.

We completed this audit by conducting interviews; researching similar audits and best practices; reviewing laws, regulations and policies; and analyzing available inventory data. In addition, we conducted a physical count of all ammunition and weapons, and evaluated a sample of ballistic vests and handheld radios. The inventory sampling that we completed was scientifically developed to represent the entire inventory population. We found reasonable assurance that it represented the inventory accurately.

Work on this audit was conducted between December 2014 and June 2015. More detailed information on this work is available in *Appendix A: Full Audit Methodology*. 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 findings and conclusions based on our audit objectives. We believe the evidence obtained in this audit does provide a reasonable basis for the findings and conclusions, based on our audit objectives.

D. Logistics Background

Logistics Terminology

It is important to clearly define the key terms to be used in this audit.

Materials Management

is defined as the life cycle management of all manners of materials and supplies required for operations within the organization. It includes two main categories of materials: Expendables and durables as explained in *figure 3*.

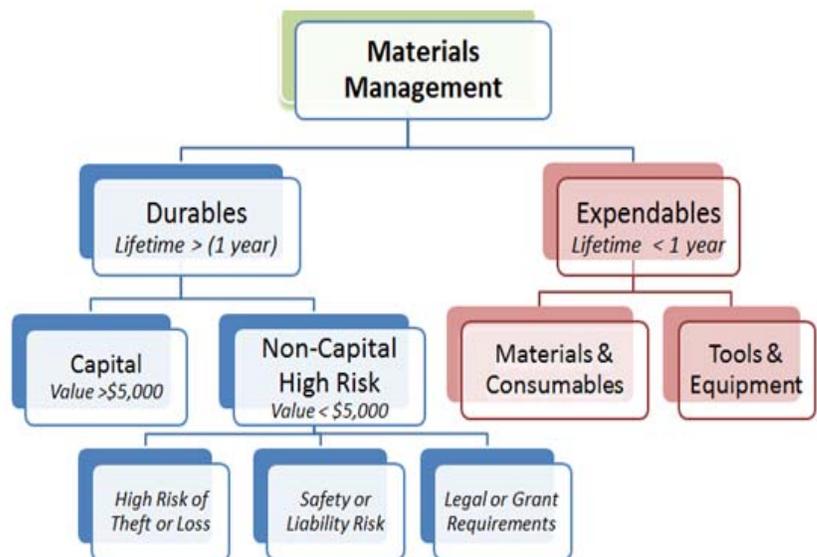


Figure 3: Materials Management Structure

Durable equipment also includes two main types of assets: capital assets and non-capital assets that require extra safeguards. Capital assets have multi-year lives over which they are depreciated, and a minimum dollar value set by the organization. They can range from land and buildings to computers and test equipment. Non-capital assets that require extra safeguards are assets that do not meet the minimum dollar threshold for capitalization but require extra safeguards for other reasons. See *Table 1* (below) for the best practice risk categories.

Common names	Risk Type	Examples
Small and Attractive Assets <i>(non-capitalized, value under \$5,000 expected life over one year)</i>	Theft or loss - Items that are physically small and have a relatively high value.	<ul style="list-style-type: none"> - Laptops - Tablet computers, PDAs - Audio and visual equipment - Tools and equipment important to operations such as leaf blowers, mowers and portable generators.
High Risk Assets <i>(non-capitalized, value under \$5,000 expected life over one year)</i>	Public safety and/or potential liability- Items that require additional security or need to be kept from public	<ul style="list-style-type: none"> - Weapons - Pharmaceutical drugs - Large quantities of toxic chemicals
Grant Funded Assets <i>(non-capitalized, value under \$5,000 expected life over one year)</i>	Legal compliance with contracts or grant requirements	Assets purchased with funds received through contracts or grants that have use or reporting requirements.

Table 1: Government Finance and Officer Association (GFOA) High Value Non-Capitalized Durable Assets

Summary



We chose Sheriff’s Office owned weapons, ballistic vests, and handheld radios as the high risk **durable** equipment to test in this audit.

Expendable supplies consist of two main types of materials: The first is Materials and Consumables (“Consumables”) which are consumed as part of operations. It includes cleaning supplies and chemicals, copy paper, toner, pens and markers, tires and similar items. The second category is Tools and Equipment (“Equipment”) that is expected to have a useful life of one year or less. Examples of “equipment” include hand tools, inexpensive or limited life power tools, work clothes and personal safety equipment.

The Sheriff’s Office classifies ammunition as “Duty” or “Training” ammunition types. Training ammunition is used in two programs, a structured on-range Firearms Training (FT) Program which runs ranges and formal training, and the Practice Ammunition (PA) Program which distributes up to 200 rounds of practice ammunition per month per deputy upon request.

Summary



We chose training ammunition as the high risk **expendable** item to test for this audit.

Materials Life Cycle Phases

Within materials management, there are three major processes: procurement, ownership and disposal – see *figure 4*, below. Some work has been done with the procurement and disposal processes in recent years.



Figure 4: Materials Management Structure

(Model Courtesy of AIPCA, American Production and Inventory Control Society)

In 2012 and 2013, fleet related audits have addressed full life cycle evaluation of fleet light vehicles, and in 2013 a procurement card audit addressed one aspect of the procurement process. Additionally, organizations have received assistance with internal control reviews that have addressed some areas, including the Infrastructure Services' disposal processes for laptop, desktop, and server computers in 2013 and Sheriff's evidence disposal in that same year.

Despite logistics being an integral part of all county operations, there has only been limited audit work related to materials management, and none of it related to the ownership phase of the materials life cycle.

Summary

➡ We focused this audit on the "ownership" phase of materials management.

E. Audit Results

Objective I - Physical Security and Access to High Risk Equipment and Supplies

Summary: Physical security of the storage facility and its access controls were effective.

Access to the facility, the facility electronic security system, and keys were properly controlled. Access to the computer system and database were properly restricted. There were no recommendations for this objective.



Photo 1: Logistics Building Entry

Finding 1: Access Controls to Storage Areas Are Effective

The automated security system and inventory system each have adequate controls. Physical access to the high risk storage areas is properly limited.

Recommendation:

(1.1) **We commend** the Sheriff's Office for their Logistics Warehouse security.

Objective II - Management of High Risk Durable Equipment

Summary: Control of high risk durable equipment was moderately effective.

The Sheriff's Office did not always maintain accurate inventories of high risk equipment. We evaluated firearms, ballistic vests and tactical radios. We found as a group the 116 duty firearms stored in Logistics had good internal controls; however, three of the twenty seized, forfeited or found firearms were not listed on the weapons inventory.

- The Sheriff owns twenty seized/forfeited/found firearms; three were not listed in the inventory system included one operational antique pistol, a .357 caliber revolver, and a Thompson .45 caliber submachine gun. All weapons viewed appeared to be in operational condition.
- Logistics records did not show the two on hand Thompson submachine guns were registered with the Bureau of Alcohol, Tobacco and Firearms (BATF) as required by law. BATF later notified them the weapons were registered years ago.
- Initially, three of 11 portable radios sampled and two ballistic vests of 13 sampled could not be located; Staff later located all but one (non-operational) radio and one (end of life) vest.
- We found errors in the high risk equipment inventory data ranging from equipment operational status, location, and equipment serial numbers.



Photo 2: Handheld Radio

Finding 2: The Periodic Inventory System Used by the Sheriff's Office for High Risk Asset Tracking is Not Reliable

The Sheriff's Office does not use reliable practices for inventory control of high risk assets and supplies. There is no process to identify high risk assets, and existing records are not updated in a timely manner. Consequently, we could not rely on equipment and supply quantities or descriptive data in the Asset Tracker system.

Assessing the overall controls that affect both equipment and supplies, we found that the Sheriff's Office did not have a defined process to identify potentially high risk assets and evaluate if controls were adequate. We found the inventory methodology and warehouse procedures for high risk items were not reliable for maintaining quantity or status of supplies or equipment. We attribute much of the accuracy issue to staff training and turnover. The Sheriff's Office has struggled with maintaining skilled employees in Logistics and has experienced an 80% staff turnover over the last year; however, the staff we interviewed were cooperative and open to adopting improved procedures and controls.

Asset Tracker contains data that does not add value and uses significant resources to update. The Sheriffs' Office currently has twelve trained armorers who conduct weapons inspections and maintain weapon serviceability. The Armorers track inspections and maintenance in a spreadsheet of information that is periodically uploaded into Asset Tracker manually. It is time consuming, error prone work that is at high risk of being inaccurate by the time it is later uploaded. This data should not be kept in Asset Tracker.

Recommendations:

(2.1) **We recommend** the Sheriff's Office implement a process to identify all high risk items, and ensure controls are in place based on evaluation of the risk.

(2.2) **We recommend** the Sheriff's Office either implement a perpetual inventory system or improve existing controls with the current periodic inventory system to ensure the database is accurately updated with all appropriate changes within two working days of the transaction occurring.

Update July 2015: *With the second full-time person hired, items are getting entered much more quickly into Asset Tracker.*

(2.3) **We recommend** the Sheriff's Office use monthly cycle counting for all high risk item counts, and supplement this with an annual wall-to-wall count of ammunition. As part of effective cycle counting, a portion of items that are issued out should be also be verified. Cycle counts of high risk items are a Government Accountability Office best practice.

(2.4) **We recommend** the Sheriff's Office consider enhanced marking with permanent labels where it would add value. High visibility permanent labels or bar codes are often used to track long life assets that require above average controls. Examples of items that may benefit from some form of enhanced marking are firearms, vests, radios, radio batteries, cameras and other equipment with expected life over one year. iPads already are marked with permanent labels by Information Technology.

(2.5) **We recommend** management limit data entry to staff with appropriate skills and initiate quality controls to improve accuracy. Alternatively, the Sheriff's Office could initiate a program to increase employee knowledge of logistics, internal controls, and other specific skills where needed.

Update July 2015: *The Sheriff's Office identified cadets with limited training as the source of many of the high risk entry errors. Cadets now only key in entries for low-risk items such as uniforms.*

(2.6) **We recommend** the Armorers' firearm inspection status that is currently transferred manually from the Armorer's inspection spreadsheet to Asset Tracker should stop being transferred into Asset Tracker. The firearm inspection information is not used by Logistics personnel, and it is one of the more time consuming and error prone transactions in the automated system. Removing weapon inspection data from Asset Tracker will save significant staff time without incurring additional risk.

Update July 2015: *The weapon inspection data is no longer kept in Asset Tracker.*

Finding 3: Firearms In Long Term Storage Are At An Elevated Risk Of Loss or Misuse



Photo 3: Weapons Storage

Firearms retained in storage that do not have a near term use are at elevated risk of loss or misuse. Once weapons are checked out from storage they are only checked on annually; there is no provision for keeping track of temporary issued high risk items. Non-standard weapons are checked out for extended time without additional management controls are at an elevated risk for theft or loss, especially if stored in a less secured location. They also may deteriorate if not maintained on a schedule. For example, a single armorer checked out both submachine guns for over eight months for repair work; they were returned when requested for this audit.

Recommendations:

(3.1) **We recommend** any seized, forfeited or found firearms not listed on inventory be added immediately, and records clearly identify which of these non-standard issue firearms are currently issued to deputies or otherwise used.

Update July 2015: Six additional firearms in Asset Tracker were identified as non-standard, bringing the total to twenty. All firearms currently owned by the Sheriff's Office are in Asset Tracker, which has been updated to reflect their source and current location.

(3.2) **We recommend** the Sheriff's Office evaluate if all firearms managed by Logistics meet an existing or projected operational requirement that exceeds the risk of retaining them. Long term use of non-standard firearms by deputies should be reviewed by senior management to verify they meet an operational need. Firearms that fail to meet these tests should not be retained. If they are retained, more specific controls for temporary check-out of weapons should exist and be enforced.

Update July 2015: The Sheriff's Office has begun evaluating firearms against their operational requirements, and is disposing of weapons with limited value. They will continue to remove non-standard firearms from inventory and general use.

Objective III - Management of High Risk Expendable Supplies

Summary: Control of ammunition was ineffective.

The Sheriff's Office classifies ammunition as "Duty" or "Training" ammunition types. Duty ammunition is more expensive, higher reliability ammunition. It is issued to be carried on duty and is replaced once per year. Training ammunition has two uses:

- a) Firearms Training (FT) which includes instructors, a specified training plan, and is scheduled regularly. The ammunition is controlled by the staff conducting the training.
- b) Practice Ammunition (PA) which distributes ammunition (100 rounds each for pistol and rifle) per eligible deputy per month upon request "to assist in maintaining and improving shooting skills" according to the Sheriff's Office General Orders. The program has been in place for well over 15 years.



Photo 4: Ammunition Storage

Approximately 247 eligible deputies participate regularly in the optional PA Program. Historically about 35% to 50% of the potential annual cost of the practice ammunition program is expended for a value between \$100,000 and \$150,000.

Due to the periodic inventory techniques in use and the lack of regular reconciliation with purchased and expended ammunition, we were unable to determine how much duty, training, or practice ammunition should have been on hand when we arrived.

The PA Program as currently defined and implemented lacks clarity and effective controls. We attempted to resolve the ammunition count with issue and draw records, but were unable to determine with reasonable assurance how much practice ammunition was issued to whom, when it was issued, or if it was used for its intended purpose. Practice ammunition issue records had incomplete entries as well as date, quantity and ammunition type mistakes all made by the receiving individuals. On at least one occasion when practice ammunition was not readily available, duty ammunition was used as a quick substitute - causing discrepancies in quantities issued. Since there was no perpetual inventory, there was no reliable record of how much ammunition should have been on hand. The State of Washington considers ammunition a capital asset with a five year life, requiring appropriate controls throughout its life.

We did find at least one example of management attempting to establish appropriate controls over ammunition as a County owned high risk material. We were told of short-lived efforts to establish accountability by recovering expended brass from deputies ten to fifteen years ago, but it experienced high resistance by deputies who complained of increased lead risk from handling their own expended brass. There is no record if gloves were provided or if other options were considered, but the program was quickly terminated. Due to inconsistent records, we could not verify if any practice ammunition has been expended after distributed to individual deputies.

The long term lack of controls for the PA Program negatively affected other ammunition accountability; it created high risk for the Sheriff's Office, its employees, and the County. The PA Program has distributed hundreds of thousands of rounds of ammunition over



Photo 5: Bulk 9mm Ammunition

the past decade with no documentation for how it was used, stockpiled or redistributed outside the organization. There has been no discernable return on the investment, currently about \$125,000 per year.

The Practice Ammunition Program is not well understood by employees; it lacks a clear structure, produces no measurable outcome, and is not a best or common practice.

We were only able to locate one other municipality in the two-state region – King County, Washington - that continues with individually issued take-home practice ammunition in a labor contract; all others we contacted had ended the practice.

All forms of training ammunition are high risk county owned property throughout their entire life cycle. There are no conditions under which we could identify when it would be appropriate to transfer ownership of live training ammunition to employees for their personal use. However, some employees continue to express the belief that practice ammunition is a benefit or form of compensation, not county-owned training supplies. The individual, organizational and community risk represented by these erroneous beliefs requires senior management to develop clear program structure and controls, and share them without delay throughout the organization. We have also concluded that it is essential the Sheriff's office establish and maintain appropriate controls to protect employees, the public and the ammunition immediately.

Finding 4: Practice Ammunition (PA) Program Controls Are Ineffective, and the Program Does Not Add Measurable Value

We observed four serious deficiencies in the Practice Ammunition (PA) Program:

- a) Ownership and responsibility for security of practice ammunition is not clear to personnel supporting or participating in the program. As a result, the County is either expending between \$100,000 and \$150,000 per year on a program that gives away the supplies it purchases with no benefit for the expenditure, or it has intentionally poor internal controls over the use of a high risk supply over its life cycle. Both of these results are potentially illegal.
- b) We were unable to determine how much ammunition the Sheriff's Office should have on hand due to the lack of management controls.
- c) We could find no evidence that the PA Program improves firearm qualification rate or improves shooting skills. Essentially all deputies meet annual qualification standards with few exceptions. We found no significant difference in qualification rates for personnel who regularly draw practice ammunition when compared to those who did not regularly participate in the program.
- d) The PA Program is identified within two labor contracts. This has affected both affected employee perceptions of the program's purpose as well as



Photo 6: Ammunition In Storage

management's efforts to apply internal controls to the program.

Recommendations:

(4.1) **We recommend** the Sheriff's Office leadership clarify the county's ownership of the practice ammunition and required care of its' property without delay throughout the organization. This recommendation requires action by senior management.

(4.2) **We recommend** the Sheriff's Office ensure there are clear controls over the issue, storage and disposal of individual practice ammunition. Practice ammunition remains property of Clark County throughout its life cycle; it is contrary to Washington State law (Revised Code of Washington) to continuously distribute high value, high risk items purchased with County funds without adequate safeguards and controls over the value or risk it represents. Reasonable control over funds and property is required regardless of any employment contracts that may appear to allow otherwise.

(4.3) **We recommend** the Sheriff's Office pursuing removal of the PA Program from collective bargaining contracts and integrate its intent within the Firearms Training Program. The PA Program should produce quantifiable results appropriate for the expenditure and risk it represents. This recommendation requires action by senior management.

(4.4) **We recommend** the Sheriff's Office conduct an operational review of the PA Program. The Program should either be defined to provide the same quality level of training, standards, documentation and accountability as Firearms Proficiency Training or it should be ended. This recommendation requires action by senior management.

Update July, 2015: *The Sheriff's Office has begun informational discussions with representatives from the affected collective bargaining units with two goals:*

- a. To help them understand the issues that need to be addressed with practice ammunition as a high risk, high value asset, and*
- b. To seek their input on potential ways to improve internal controls and the program's effectiveness as a training tool.*

F. Summary of Audit Findings and Recommendations by Objective

Objective 1 Summary: Physical security of the storage facility and its access controls were effective.

Finding 1: Access Controls to Storage Areas Are Effective

Recommendation:

(1.1) **We commend** the Sheriff's Office for their Logistics Warehouse security.

Objective 2 Summary: Control of high risk durable equipment was moderately effective.

Finding 2: The Periodic Inventory System Used by the Sheriff's Office for High Risk Asset Tracking is Not Reliable

Recommendations:

(2.1) **We recommend** the Sheriff's Office implement a process to identify all high risk items, and ensure controls are in place based on evaluation of the risk.

(2.2) **We recommend** the Sheriff's Office either implement a perpetual inventory system or improve existing controls with the current periodic inventory system to ensure the database is accurately updated with all appropriate changes within two working days of the transaction occurring.

(2.3) **We recommend** the Sheriff's Office use monthly cycle counting for all high risk item counts, and supplement this with an annual wall-to-wall count of ammunition. As part of effective cycle counting, a portion of items that are issued out should be also be verified. Cycle counts of high risk items are a Government Accountability Office best practice.

(2.4) **We recommend** the Sheriff's Office consider enhanced marking with permanent labels where it would add value. High visibility permanent labels or bar codes are often used to track long life assets that require above average controls. Examples of items that may benefit from some form of enhanced marking are firearms, vests, radios, radio batteries, cameras and other equipment with expected life over one year. iPads already are marked with permanent labels by Information Technology.

(2.5) **We recommend** management limit data entry to staff with appropriate skills and initiate quality controls to improve accuracy. Alternatively, the Sheriff's Office could initiate a program to increase employee knowledge of logistics, internal controls, and other specific skills where needed.

(2.6) **We recommend** the Armorers' firearm inspection status that is currently transferred manually from the Armorer's inspection spreadsheet to Asset Tracker should stop being transferred into Asset Tracker. The firearm inspection information is not used by Logistics personnel, and it is one of the more time consuming and error prone transactions in the automated system. Removing weapon inspection data from Asset Tracker will save significant staff time without incurring additional risk.

Finding 3: Firearms In Long Term Storage Are At An Elevated Risk Of Loss or Misuse

Recommendations:

(3.1) **We recommend** any seized, forfeited or found firearms not listed on inventory be added immediately, and records clearly identify which of these non-standard issue firearms are currently issued to deputies or otherwise used.

(3.2) **We recommend** the Sheriff's Office evaluate if all firearms managed by Logistics meet an existing or projected operational requirement that exceeds the risk of retaining them. Long term use of non-standard firearms by deputies should be reviewed by senior management to verify they meet an operational need. Firearms that fail to meet these tests should not be retained. If they are retained, more specific controls for temporary check-out of weapons should exist and be enforced.

Objective 3 Summary: Control of ammunition was ineffective.

Finding 4: Practice Ammunition (PA) Program Controls Are Ineffective, and the Program Does Not Add Measurable Value

Recommendations:

(4.1) **We recommend** the Sheriff's Office leadership clarify the county's ownership of the practice ammunition and required care of its' property without delay throughout the organization. This recommendation requires action by senior management.

(4.2) **We recommend** the Sheriff's Office ensure there are clear controls over the issue, storage and disposal of individual practice ammunition. Practice ammunition remains property of Clark County throughout its life cycle; it is contrary to Washington State law (Revised Code of Washington) to continuously distribute high value, high risk items purchased with County funds without adequate safeguards and controls over the value or risk it represents. Reasonable control over funds and property is required regardless of any employment contracts that may appear to allow otherwise.

(4.3) **We recommend** the Sheriff's Office pursuing removal of the PA Program from collective bargaining contracts and integrate its intent within the Firearms Training Program. The PA Program should produce quantifiable results appropriate for the expenditure and risk it represents. This recommendation requires action by senior management.

(4.4) **We recommend** the Sheriff's Office conduct an operational review of the PA Program. The Program should either be defined to provide the same quality level of training, standards, documentation and accountability as Firearms Proficiency Training or it should be ended. This recommendation requires action by senior management.

Appendix A: Full Audit Methodology

Objectives

Objective 1: Determine the effectiveness of physical security efforts for logistics storage of high risk, non-evidence items.

Objective 2: Determine the effectiveness of governance, procedures, internal controls and security related to high risk durable asset management.

Objective 3: Determine the effectiveness of governance, procedures, internal controls and security related to high risk expendable inventory management.

Scope

This audit will focus on the ownership phase of materials management although some results may lead to work in other phases. Access controls for storage areas will be included within the audit.

Inclusions - expendables with an elevated risk of danger, abuse or loss

- Non-training ammunition - "Duty Ammunition"
- Training ammunition for group training, ranges and events – "Firearms Proficiency"
- Training ammunition for individual practice – "Practice Ammunition"

Inclusions – durables not capitalized with a value below \$5000 with an expected lifetime of at least one year with an elevated risk of danger, abuse or loss. This includes:

- Firearms, all types in storage
- Ballistic vests (five year lifetime)
- Handheld radios

Exclusions

- Evidence facility and all holdings thereof (audit completed in 2010)
- Vehicles (Audit completed in 2013)
- Desktop computers and laptops (Planned within upcoming General Services Material Management audit in 2016 or 2017)
- Less lethal weapons

Methodology

- 1) Review applicable state federal laws and regulations, GASB and GFOA standards and best practices as well as local policies and procedures.
- 2) Identify governance structure, authority and issues through document research and interviews with key management and operational personnel.
- 3) Interview staff responsible for performing various related duties and/or oversight functions.
- 4) Review the work of auditors in other jurisdictions and research professional literature to identify best practices regarding training requirements, procedures, inventories and asset management.
- 5) Identify the total group of eligible expendable items that are warehoused and issued by the Sheriff's Office, their locations, quantities and controls.
- 6) Determine if the expendable items require a full inventory or if sampling can provide reasonable assurance in identifying risk. Choose appropriate approach for each group of items based on risk, materiality and assurance level needed.
- 7) Conduct select expendable inventories and resolve results with quantities and types that are supposed to be on hand through existing inventory records plus issue and draw documentation.
- 8) Repeat steps 2 through 4 for durable "high risk / small and attractive" assets identified in the inclusion list above.

Appendix B: Management Response to Audit



Chuck E. Atkins
Sheriff

July 28, 2015

Tom Nosack
Clark County Auditor's Office
PO Box 5000
Vancouver, WA 98666

Tom,

I want to express my sincere appreciation for the work done by the audit team. This audit, as part of that overall change in sheriff's management, was very timely in that it allowed for an independent look at how we manage our high-risk equipment and supplies. I believe the findings in the report will result in some meaningful improvements.

My formal response to the audit is brief. I believe the audit findings are valid concerns and the recommendations to improve our processes are reasonable. I will direct my staff to make the necessary changes in procedures to bring our processes into alignment with currently accepted practices as they relate to the internal control of high risk equipment and supplies.

I also want to give recognition to our Property and Evidence manager, Kari Schulz. The audit findings related to firearms inventory, including the issuance of non-standard firearms, and the practice ammunition program are all issues Kari identified under the previous administration. I know she previously attempted to make important changes in policy and procedure to address these issues but had difficulty having them implemented. Now, with a new administration in place, we have the opportunity to break from past practice and work to address the findings outlined in this report.

Regards,

A handwritten signature in blue ink that reads "Chuck E. Atkins". The signature is written in a cursive, flowing style.

Chuck E. Atkins
Sheriff

CEA/vjd

RECEIVED

JUL 28 2015

Auditor's Office