

Municipality
of
Anchorage



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Rick Mystrom, Mayor

OFFICE OF THE INTERNAL AUDITOR

August 04, 1995

**Internal Audit Report 95-13
Follow-Up Audit
Anchorage Police Department**

Introduction. An audit of the drugs in the Property & Evidence (P&E) Section of the Anchorage Police Department was requested by the Assembly in the summer of 1994 and resulted in Internal Audit Report 94-17, issued December 7, 1994. Further, an audit of cash at the Anchorage Police Department was requested by the Assembly at the completion of the drug audit. This resulted in Internal Audit Report 95-02, issued February 9, 1995. As a consequence of the findings in these audit reports, both the Mayor and the Assembly requested that a follow-up audit be completed in six months to determine whether the Anchorage Police Department had taken the necessary actions to resolve the audit findings in Internal Audit Reports 94-17 and 95-02.

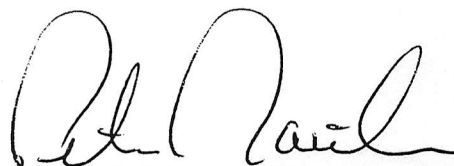
Scope. Our audit objectives were to conduct a follow-up audit at the Anchorage Police Department to determine the status of the findings identified in Internal Audit Reports 94-17 and 95-02; and to determine the extent and effectiveness of management action taken to correct the reported deficiencies. The audit included tests of Anchorage Police Department records and such other procedures as we considered necessary in the circumstances. The audit was performed in July 1995.

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Summary of Findings. Appropriate corrective action was taken by the Anchorage Police Department in devising and implementing new procedures to correct the deficiencies noted in Internal Audit Reports 94-17 and 95-02. The actual action taken by the Anchorage Police Department is documented at Schedule A.

Management Comments. Management stated, "The time and effort shown and given by the Municipal Internal Auditor's office is greatly appreciated. Their insight, suggestions, and encouragement has allowed us to improve the overall operation of the Property and Evidence Section of the Anchorage Police Department. We will continue to strive toward providing the best possible service to the citizens of Anchorage."

Discussions With Responsible Officials. The results of this audit were discussed with the appropriate personnel on August 01, 1995.



Peter Raiskums, CIA
Director, Internal Audit

Audit Staff:
Brenda Sullivan

**ANCHORAGE POLICE DEPARTMENT DRUGS
INTERNAL AUDIT REPORT 94-17
CORRECTIVE ACTION TAKEN**

FINDING #	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	CORRECTIVE ACTION TAKEN BY APD
1	All drugs were not stored in a secured location.	APD should ensure all drugs are stored in a designated secured location.	All drugs are now required to be stored in the Safe Room.
2	APD lacked procedures requiring dual custody when handling drugs.	APD should establish procedures requiring dual custody whenever drugs are handled.	Dual custody is now required whenever drugs are handled within the P&E Section.
3	Access to areas where drugs were stored was not adequately controlled.	APD should ensure access to the P&E Section is properly controlled.	Access to the P&E Section has been restricted to authorized personnel only. Those unauthorized personnel requiring entrance into the P&E Section must be accompanied by an authorized person at all times.
4	Areas containing drugs were not properly protected.	APD should ensure areas containing drugs are properly protected.	New security equipment, including a surveillance camera, has been ordered by APD to document access to the P&E Section, including the Safe Room.
5	Drugs were not placed in tamper proof containers when submitted to the P&E Section.	APD should ensure tamper proof containers are acquired for drug storage.	Drugs are now required to be packaged in heat sealed plastic bags.

**ANCHORAGE POLICE DEPARTMENT DRUGS
INTERNAL AUDIT REPORT 94-17
CORRECTIVE ACTION TAKEN**

FINDING #	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	CORRECTIVE ACTION TAKEN BY APD
6	Drugs were not documented and tracked separately from all other property.	APD should establish a separate tracking system for drugs.	A separate log of drugs is maintained by the P&E Section. Currently this system is manual but a computerized system is in process.
7	The P&E Section lacked an adequate system for suspending drugs released from their custody.	APD should require the P&E Section to implement a system to suspense drugs released from their custody until items are returned.	The P&E Section has established Suspense Files for drugs, and other property, temporarily transferred out of their custody.
8	Periodic inventories of all property, including drugs, had not been performed.	Periodic inventories should be conducted or observed by persons external to the P&E Section.	A physical inventory of the Main Storage Area and Safe Room had been taken. Further, procedures were established requiring annual inventories.
9	P&E Section records were not always accurate.	APD should ensure records are accurate.	The P&E Section has developed weekly procedures to be performed by the P&E Supervisor, testing the accuracy of the records.
10	The system used to identify property for disposal was not effective.	APD should implement procedures for timely disposition of property that is no longer required.	APD has developed new procedures for the disposition of property. These procedures are based on an established retention schedule based on the type of crime the evidence was obtained.

**ANCHORAGE POLICE DEPARTMENT DRUGS
INTERNAL AUDIT REPORT 94-17
CORRECTIVE ACTION TAKEN**

FINDING #	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	CORRECTIVE ACTION TAKEN BY APD
11	Procedures used to destroy drugs did not provide assurance that the actual drugs were destroyed.	APD should consider implementing procedures to verify the contents of P&E Envelopes prior to destruction on a random basis.	APD has developed procedures requiring random drug testing and weighing of drugs to be destroyed.
12	APD officers submitting drugs to the P&E Section did not always follow written procedures.	APD should ensure officers are following prescribed drug handling requirements.	APD has instructed officers in the importance of packaging drugs properly.
13	APD lacked adequate controls over drugs released from the P&E Section for APD use for training purposes.	APD should ensure all drugs issued by the P&E Section to other APD Sections be tracked and controlled until final return.	APD has discontinued releasing drugs for training purposes. Further, the only drugs to be issued to the K-9 unit is marijuana which first has to be approved by the Deputy Chief.
14	Procedures in place to process out terminating APD personnel were inadequate. Property, including drugs released to APD officers from the P&E Section was not always recovered.	APD should implement procedures to ensure all property in possession of APD personnel is returned to the P&E Section prior to termination.	APD has not yet completed new termination procedures.

**ANCHORAGE POLICE DEPARTMENT DRUGS
INTERNAL AUDIT REPORT 94-17
CORRECTIVE ACTION TAKEN**

FINDING #	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	CORRECTIVE ACTION TAKEN BY APD
15	The P&E Section did not have written procedures for handling of property, including drugs.	APD should establish property handling procedures for the P&E Section. They should include detailed requirements for sensitive items.	APD P&E Unit Policy and Procedures Manual has been developed. The purpose of the manual is to describe the standards required for receiving, processing, safeguarding, storing and disposing of physical property acquired by the APD.

**ANCHORAGE POLICE DEPARTMENT CASH
INTERNAL AUDIT REPORT 95-02
CORRECTIVE ACTION TAKEN**

FINDING #	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	CORRECTIVE ACTION TAKEN BY APD
1	Control and Safeguard Weaknesses in the P&E Section:	Implement recommendations presented in Audit Report 94-17:	
1(1)	All cash was not stored in a secured location.	APD should ensure all cash is stored in a designated secured location.	All cash is now required to be stored in the Safe Room.
1(2)	APD lacked procedures requiring dual custody when handling cash.	APD should establish procedures requiring dual custody whenever cash is handled.	Dual custody is now required whenever cash is handled within the P&E Section.
1(3)	Access to areas where cash was stored was not adequately controlled.	APD should ensure access to the P&E Section is properly controlled.	Access to the P&E Section has been restricted to authorized personnel only. Those unauthorized personnel requiring entrance into the P&E Section must be accompanied by an authorized person at all times.
1(4)	Areas containing cash were not properly protected.	APD should ensure areas containing cash are properly protected.	New security equipment, including a surveillance camera, has been ordered by APD to document access to the P&E Section, including the Safe Room.

**ANCHORAGE POLICE DEPARTMENT CASH
INTERNAL AUDIT REPORT 95-02
CORRECTIVE ACTION TAKEN**

FINDING #	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	CORRECTIVE ACTION TAKEN BY APD
1(5)	Cash was not documented and tracked separately from all other property.	APD should establish a separate tracking system for cash.	A separate log of cash is maintained by the P&E Section. Currently this system is manual but a computerized system is in process.
1(6)	The P&E Section lacked an adequate system for suspending cash released from their custody.	APD should require the P&E Section to implement a system to suspense cash released from their custody until items are returned.	The P&E Section has established Suspense Files for cash, and other property, temporarily transferred out of their custody.
1(7)	Periodic inventories of all property, including cash, had not been performed.	Periodic inventories should be conducted or observed by persons external to the P&E Section.	A physical inventory of the Main Storage Area and Safe Room had been taken. Further, procedures were established requiring annual inventories.
1(8)	The system used to identify property for disposal was not effective.	APD should implement procedures for timely disposition of property that is no longer required.	APD has developed new procedures for the disposition of property. These procedures are based on an established retention schedule based on the type of crime the evidence was obtained.

**ANCHORAGE POLICE DEPARTMENT CASH
INTERNAL AUDIT REPORT 95-02
CORRECTIVE ACTION TAKEN**

FINDING #	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	CORRECTIVE ACTION TAKEN BY APD
1(9)	The P&E Section did not have written procedures for the handling of property, including cash.	APD should establish property handling procedures for the P&E Section. These procedures should include detailed requirements for sensitive items.	APD P&E Unit Policy and Procedures Manual has been developed. The purpose of the manual is to describe the standards required for receiving, processing, safeguarding, storing and disposing of physical property acquired by the APD.
1(10)	Cash was not placed in tamper proof containers when submitted to the P&E Section.	APD should ensure tamper proof containers are acquired for cash storage.	Cash is required to be packaged in heat sealed plastic bags.
2	A M C 7 . 2 5 procedures for giving public notice of A P D ' s possession of property, including cash, were not followed.	APD should provide Purchasing with a list of all disposable property including date first obtained and last known owner. Cash should not be deposited into an APD account until all requirements have been completed. Purchasing should publish notices of disposable property and send letters to the last known owners. APD and Purchasing should look into revising Title 7.	New procedures requiring all items unclaimed to be advertised have been written.

**ANCHORAGE POLICE DEPARTMENT CASH
INTERNAL AUDIT REPORT 95-02
CORRECTIVE ACTION TAKEN**

FINDING #	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	CORRECTIVE ACTION TAKEN BY APD
3	Cash was deposited into an APD account which should have been returned to the owner.	APD should ensure deposits of cash are in strict compliance with court documentation.	New procedures have been written and implemented which require cash to be returned to owners where applicable.
4	APD released cash and property to the court system without requiring a receipt.	APD should ensure a signed receipt is received when property is released to the court system and ensure items are returned to the P&E Section when no longer required.	New procedures have been written requiring a receipt to be signed when the property is given to the court system. This signed receipt is attached to the P&E Hard Card.
5	Cash was released to other law enforcement agencies without documentation from the agency authorizing its release to specific individuals. A follow-up letter was not sent to the agency confirming its release.	APD should ensure procedures are developed and enforced for the release of funds to other law enforcement agencies.	New procedures require the law enforcement agency to request, on official letterhead, that property be transferred to a named employee. Further, after the transfer, the P&E Section follows up the release of property with a letter to the head of the receiving agency documenting the release of property.
6	Cash was released to APD sworn officers in a final disposition without request of forfeiture paperwork or supervisor's signature prior to release.	APD should discontinue releasing cash to APD personnel for final disposition. Instead, cash should be deposited.	New procedures state that cash will not be released to an APD employee in final disposition. Instead, the cash will be deposited.

**ANCHORAGE POLICE DEPARTMENT CASH
INTERNAL AUDIT REPORT 95-02
CORRECTIVE ACTION TAKEN**

FINDING #	ORIGINAL FINDING	ORIGINAL RECOMMENDATION	CORRECTIVE ACTION TAKEN BY APD
7	The full staff of the P&E Section was seldom present for duty. The acting supervisor was someone from outside the Section.	APD should ensure an acting supervisor is appointed from within P&E Section.	Staffing for the P&E Section has been increased from a total of six employees to nine employees.
8	The Drug Enforcement Section maintained good controls over cash funds and checking account.	None required.	Not Applicable.
9	Adequate supporting documentation was lacking for Investigation Cash Fund transactions.	Adequate documentation should be maintained for all cash transactions in the Investigations Cash Fund.	The documentation for the Investigation Cash Fund has been changed to the same system as for the Drug Enforcement Section Cash Funds.