



WASHOE COUNTY

"Dedicated To Excellence in Public Service"

www.co.washoe.nv.us

CM/ACM JB
Finance PF
DA _____
Risk Mgt. _____
HR _____
Other _____

STAFF REPORT

BOARD MEETING DATE: July 23, 2013

DATE: June 20, 2013
TO: Board of County Commissioners
FROM: Alison A. Gordon, Internal Auditor 
328-3651, agordon@washoecounty.us
THROUGH: John Berkich, Interim County Manager
SUBJECT: Acknowledge Receipt of the Washoe County 2013 Case Evidence Audit Report from the Internal Audit Division (All Commission Districts)

SUMMARY

The Board of County Commissioners' approved schedule of audits for FY2013 included an audit of the County's case evidence process. This audit involved assessing current practices and looking for opportunities to improve the efficiency and effectiveness of controls and practices used to administer case evidence.

Both the District Attorney's Office and the Sheriff's Office have best practices in place for administering case evidence. For example, both departments have processes in place to ensure evidence is appropriately released. Also, the Sheriff's Office performs inventories of sections of the evidence room each month. A full inventory is performed when a change occurs in the staff that administers and overseas evidence on a day-to-day basis. This last occurred in March 2013.

The results of our review indicated the administration of case evidence can be enhanced. Specifically:

Released case evidence consisting of cash that is unclaimed should be submitted to the State as unclaimed property. As of the date of this report, the current balance of unclaimed cash evidence recorded in SAP totals \$72,842.06. However, also included in these funds is forfeiture and lost/abandoned property consisting of cash. The Sheriff's Office needs to perform an analysis of the amounts recorded where case information is available and submit the unclaimed evidence monies to the State as unclaimed property and handle any other amounts in accordance with State statutes and County Code.

The District Attorney's Office needs to improve its administration for releasing case evidence. Specifically, instances occur when case evidence release forms are prepared and submitted to the Sheriff's Office when no evidence was collected or are duplicative. Preparing these unnecessary forms creates additional work not only for the District Attorney Office staff but also Sheriff Office staff. The District Attorney's

Office should use the new Justware automated system to track and administer evidence if this software allows for this functionality.

An implementation plan establishing responsibilities and timelines will be developed with County management and department staff. This plan will then be reviewed with the Audit Committee and updated at each of their meetings. Implementation of recommendations having fiscal impact will be brought to the Board of County Commissioners for approval.

County Priority/Goal supported by this item: Sustainability of County Financial, Social and Natural Resources

PREVIOUS ACTION

No previous action has been taken on this Board item.

BACKGROUND

Evidence can be comprised of cash as well as physical property. When cash or property is processed as evidence during an arrest, the Sheriff's Office evidence technicians record the evidence in an automated system and store the physical evidence, including cash, in a locked container until it is needed for District Attorney Office case prosecution. When the evidence is no longer needed to prosecute a case and it is unlikely an appeal will be made, the District Attorney's Office releases their interest in the evidence using a release form, which is submitted to the Sheriff's Office Evidence Unit. The Sheriff's Office evidence technicians process the release and send law enforcement staff a disposition request report. Law enforcement staff reviews the case file to determine the proper disposition, and completes the disposition request report. The report is returned to the Evidence Unit for subsequent disposition of the evidence.

The methods of disposition include disposing of or destroying the item, releasing the evidence to the owner, and releasing the evidence to another party. If the evidence is unclaimed, cash evidence and cash received from sales of unclaimed property are recorded in SAP, the County's financial system, in the Sheriff's Office Evidence account.

SCOPE AND METHODOLOGY

The scope of the audit included determining whether case evidence was being administered efficiently and effectively at both the District Attorney's Office and Sheriff's Office. To obtain an understanding of the controls in place, a review was performed of the policies and procedures, County Code and State statutes pertaining to case evidence. Staff involved in administering case evidence was also interviewed. Additionally, tests of the controls in place for recording unclaimed evidence in the Sheriff's Evidence account were performed.

This audit was conducted in accordance with Generally Accepted Government Auditing Standards and covered the period between July 2012 and June 2013. Fieldwork was conducted between January and May 2013.

FISCAL IMPACT

This report has no fiscal impact. However, implementation of some recommendations may have fiscal impact.

RECOMMENDATION

It is recommended the Board of County Commissioners acknowledge receipt of this audit report of Washoe County's Case Evidence.

POSSIBLE MOTION

Should the Board of County Commissioners acknowledge receipt of this audit report, a possible motion would be:

Move to acknowledge receipt of the Washoe County Case Evidence from the Internal Audit Division.

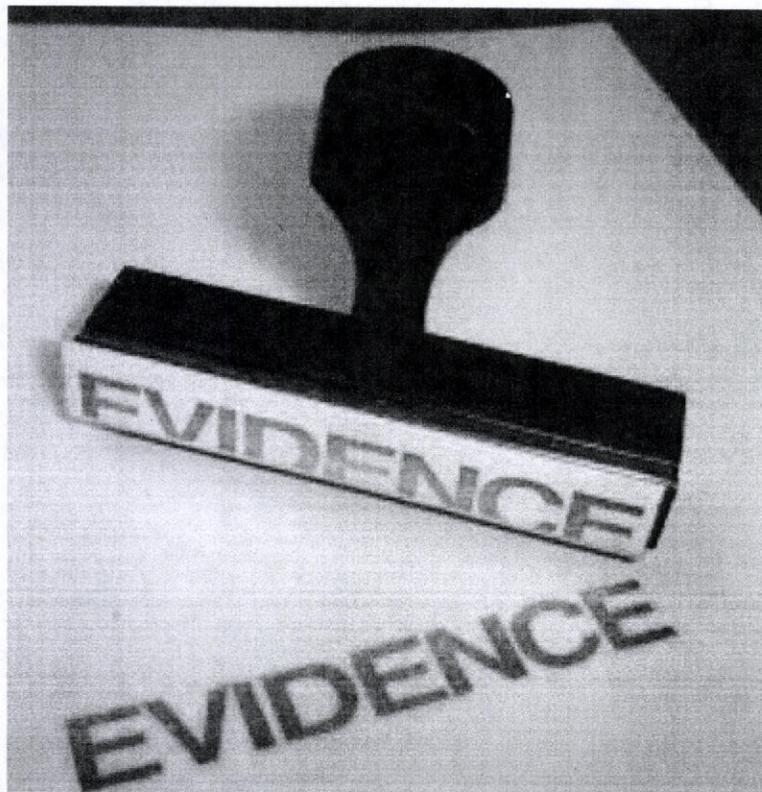
ag

Attachments

Washoe County Case Evidence

Internal Audit Report

June 24, 2013



Executive Summary

Observations

1. The Sheriff's Office administration of the disposition of cash case evidence can be enhanced.
 - a. Currently, released cash case evidence is deposited and recorded in a Sheriff's Office Evidence account in SAP once the cash becomes unclaimed.
 - b. As of the date of this report, the current balance in this account totals \$72,842.06. Of this amount, \$65,473.83 has been sitting idle prior to and since FY2005 and no records exist showing which cases the funds pertained to. The remaining balance consists of released cash case evidence subsequent to FY2005 and corresponding case numbers have been recorded.
 - c. A test of controls relating to post FY2005 amounts showed the Evidence account includes amounts other than released case evidence such as forfeitures and lost and abandoned property.
 - d. Discussions with District Attorney legal staff concluded it would be prudent and defensible to treat the unclaimed evidence monies as unclaimed property thereby remitting it to the State, and any other amounts in accordance with State statutes and County Code.

2. The District Attorney's Office can improve its administration for releasing case evidence.
 - a. Instances occur when case evidence release forms are prepared and submitted to the Sheriff's Office when no evidence was collected or are duplicative.
 - b. This creates additional work for District Attorney Office staff as well as Sheriff Office staff.
 - c. The District Attorney's Office should use the new Justware automated system to track and administer case evidence.

Observations and Recommendations

1. Cash Case Evidence

The Sheriff's Office can improve its administration of monies recorded in the Evidence account in SAP. Currently, released case evidence consisting of cash or cash resulting from the sale of case evidence, such as a vehicle, is deposited into the Sheriff's Evidence account when owners do not pick up their property or cannot be located. Over the years monies have continued to accrue in the Sheriff's Evidence account with no final resolution. As of June 2013, this account has a balance of \$72,842.06. This process can be improved by taking the following steps:

First, case monies recorded in the Sheriff's evidence account prior to FY 2005 should be remitted to the state as unclaimed property. Specifically, \$65,473.83 has been sitting idle in the Sheriff's Office Evidence account since the County's financial system conversion to SAP in FY 2005. At that time this balance was transferred into the Evidence account but there is no backup documentation to support which cases make up this balance. As a result, there is no way to determine what cases the funds pertain to and who the money belongs to. Discussions with District Attorney legal staff concluded it would be prudent and defensible to treat this money as unclaimed property.

Second, analysis should be performed for cash evidence recorded in the Sheriff's Office Evidence account subsequent to the SAP conversion to verify the amounts consist of unclaimed evidence. These records do include corresponding case numbers. A test of controls was performed by analyzing a random sample of 5 cases to determine whether controls were in place to ensure case evidence amounts were indeed unclaimed funds. For one of the cases, it was determined the case funds should have been submitted for forfeiture. Forfeiture monies should be handled in accordance with NRS Chapter 179. In another two instances, money was found and turned in to the Sheriff's Office as lost and abandoned property. Lost and abandoned monies should be handled in accordance with County Code Sections 15.161 to 15.169. The remaining two items were correctly recorded in the Evidence account. The Sheriff's Office needs to perform a review of the amounts recorded where case information is available and submit the unclaimed evidence monies to the State as unclaimed property. Any other amounts should be handled in accordance with applicable State statutes and County Code.

For future amounts recorded in the Evidence account, the Sheriff's Office and the District Attorney's Office should consider working together to ensure all avenues of evidence distribution are exhausted. This could include a periodic review to determine the owner of property or whether the evidence should be treated as unclaimed, seized and forfeited or considered lost and abandoned.

As of the date of this report, the Sheriff's Office reports it has started analyzing the amounts recorded in the Evidence account with corresponding case numbers. In

addition, the Sheriff's Office reports it is working with the Comptroller's Office remit amounts identified as unclaimed property to the State.

Recommendation:

The Sheriff's Office should:

- 1.1 Perform an analysis of the amounts recorded in the Evidence account with corresponding case numbers,*
- 1.2 Work with the Comptroller's Office to remit amounts identified as unclaimed property to the State,*
- 1.3 Process monies identified as forfeited in accordance with applicable NRS.*
- 1.4 Handle monies found and turned in as lost/abandoned property in accordance with applicable County Code, and,*
- 1.5 The Sheriff's Office and the District Attorney's Office should consider working together to ensure all avenues of evidence distribution are exhausted including a periodic review to determine the owner of the property or whether the evidence should be treated as seized and forfeited.*

2. Evidence Release Forms

The District Attorney's Office should prepare evidence release forms for cases where evidence has been collected and document an interest release form has been prepared to avoid subsequent duplication. Specifically, during my review, it was noted the District Attorney's Office issues an evidence interest release form in for closed cases where in certain instances where the case does not include any evidence. In addition, duplicate evidence release forms are occasionally submitted. Currently there are no policies and procedures in place for releasing case evidence.

Receiving duplicate release forms or release forms where there is no evidence creates additional work for District Attorney staff, the Sheriff's Office evidence technician and law enforcement staff. District Attorney staff spend time preparing the form and having the attorney assigned review the case review and sign the form. When the Sheriff's Office evidence technician receives evidence release forms, the forms are processed via the automated system. When there is no evidence in the automated system, the evidence technician must perform additional research. Once the evidence technician processes the disposition, it is sent up to law enforcement staff for case review and final disposition information as well as supervisor approval. This requires law enforcement staff to access case records and also perform research when there is no evidence found or a duplicate release form is received.

The new Justware automated system being used by the District Attorney's Office allows for evidence administration and tracking. The District Attorney Office staff may be able to use this software to ensure evidence release forms are prepared only when required. In the event Justware is unable to identify the cases with evidence the District Attorney's Office and Sheriff's Office should work together to identify an acceptable alternative.

Recommendations:

The District Attorney's Office should

2.1 Develop and implement policies and procedures for releasing case evidence, and,

2.2 If the functionality exists, use the new Justware automated system to administer and track evidence and ensure evidence release forms are submitted only when required, and reduce duplicative efforts.