



Internal Audit
Department

301 W Jefferson
Suite 660
Phoenix, AZ 85003

[maricopa.gov/
internalaudit](http://maricopa.gov/internalaudit)
602.506.1585

Ross L. Tate
County Auditor

Sheriff's Office

Management of Property and Evidence, Records, Cash, and Information Technology

July 2015

*Internal Audit Report Authorized by the
Maricopa County Board of Supervisors*

Report Highlights	Page
<u>Property and Evidence Management</u> MCSO will formalize policies and procedures, implement regular inventories and audits, and strengthen controls over property release procedures.	3
<u>Records Management</u> MCSO will establish operations manuals, determine the feasibility of consolidating incident report databases, ensure incident reports are submitted timely, and develop a plan to improve timeliness of warrant entry.	11
<u>Information Technology Management</u> MCSO Technology Bureau will formalize data center, user access, and change management protocols.	18
<u>Cash Management</u> MCSO will ensure cash receipts are effectively safeguarded by consolidating operations, improving operating procedures, and performing regular reviews and audits.	22

Background

Support Services Bureau 2 (Bureau) is an information hub for the Maricopa County Sheriff's Office (MCSO). It provides the following services to Law Enforcement and Detention operations within MCSO and external law enforcement and judicial agencies:

1. *Property and Evidence* – Provides safekeeping, storing, transporting, testing, and destroying of evidentiary and other property.
2. *Records* – Maintains incident reports; provides validations and confirmations for warrants, criminal records, and orders of protection; registers sex offenders; and processes arrest fingerprints.
3. *Civil* – Serves, processes, and executes all criminal/civil orders of the Maricopa County Superior Court; collects delinquent tax bills; licenses pawn shops; approves/denies firearm applications; and serves some MCSO warrants.
4. *Communications* – Acts as MCSO's communications hub; includes the 911 and non-emergency call center, dispatch, and MCSO's switchboard.

Objectives

To determine that:

- Property and evidence are maintained and documented in accordance with key statutes, regulations, industry practices, and MCSO policy.
- The Records Division has established effective record keeping controls over key records.
- Controls over the arrest fingerprinting process are sufficient to ensure that criminal arrest records are attributed to arrestees.
- Cash handling procedures are sufficient to safeguard cash receipts for the Property and Evidence, Records, and Civil Divisions.

Scope

Our testing encompassed operational reviews of two divisions within the Bureau and of related information technology (IT) operations. We also reviewed cash handling throughout the Bureau.

In general, our audit period ranged from July 2010 through May 2015. The audit period varied based on the audit test performed.

In order to achieve our objectives, we reviewed federal requirements, state statutes and regulations, industry guidelines, intergovernmental agreements (IGAs), and MCSO policies and procedures. We interviewed MCSO personnel; toured MCSO facilities; examined records, reports, and processes; and performed appropriate test work.

Standards

This audit was approved by the Board of Supervisors and was conducted in conformance with International Standards for the Professional Practice of Internal Auditing. The specific areas reviewed were selected through a formal risk assessment process.

Auditors

Toni Sage, Audit Manager, CIA, CGAP, CRMA, MBA
Jennifer Sigüenza, Senior Auditor, CPA, MAcc
Stacy Aberilla, Senior Auditor, MPA, CGAP
Scott Jarrett, Senior Auditor, CIA, CFE, CGAP
Daniel Ng, Senior Auditor, MPA
KPMG, LLP

This report is intended primarily for the information and use of the County Board of Supervisors, County leadership, and other County stakeholders. However, this report is a public record and its distribution is not limited.

We have reviewed this information with Sheriff's Office management. The Action Plan was approved by Jerry Sheridan, Chief Deputy, Lee Ann Bohn, Chief of Administration, Jack MacIntyre, Support Services 2 Deputy Chief, and Shelly Bunn, Technology Bureau Deputy Chief on July 28, 2015.

If you have any questions about this report, please contact Toni Sage, Internal Audit Manager, at 602-372-1004.

Audit Results

Issue #1: Property and Evidence Division – Policies and Procedures

Observation: We reviewed MCSO's Evidence Control Policy and the draft Property and Evidence Operations Manual. We found that the manual closely aligns with industry standards, including legal requirements established by state statute. However, the policy lacks critical requirements for managing property and evidence, and the procedures have not been finalized or fully implemented.

Conclusion #1A: Comprehensive property and evidence policies and procedures are needed to manage and retain evidence in a consistent and effective manner.	
Recommendations	MCSO Action Plan
1A-1 Review and update the MCSO Policy GJ-4 <i>Evidence Control</i> to ensure procedures to address key requirements for managing evidence are established.	Concur – will implement with modifications We will forward the Property Management Operations manual and changes in MCSO Policy GJ-4 to the Policy Division for approval. Target Date: 9/29/2015
1A-2 Finalize, approve, and implement the draft Property and Evidence Operations Manual in accordance with MCSO Policy GA-1 <i>Development of Written Orders</i> . Reference the manual in MCSO Policy GJ-4 <i>Evidence Control</i> .	Concur – in process Will implement as stated in recommendation. Target Date: 9/29/2015
1A-3 Establish an implementation plan for procedures outlined in the draft operations manual.	Concur – in process Will implement as stated in recommendation. Target Date: 12/31/2015

Issue #2: Property and Evidence Division – Inventories, Audits, and Tracking Procedures

Observation: The Property and Evidence Warehouse receives, maintains, tracks, and disposes of property and evidence received by MCSO. This includes storing controlled substances, drug paraphernalia, weapons, ammunition, currency, physiological specimens, biological samples, photographic, and audio/video evidence. At the time of the audit, MCSO was tracking over 223,000 property and evidence items in the Property and Evidence Management System implemented in 2009, and an estimated 90,000 items (approximately 30% of total) in manual files set up prior to 2009. To ensure items

are accurately tracked, and to identify areas for improvement, annual comprehensive inventories are recommended by industry standard setting agencies, and required by MCSO's draft Property and Evidence Operations Manual. However, MCSO has not conducted any comprehensive inventories or recent audits. Furthermore, the use of manual files for tracking evidence makes comprehensive inventories impractical.

We randomly selected 686 items of evidence to determine if item locations and descriptions were accurately documented, and if items were packaged in accordance with MCSO's Evidence Control Policy and the draft operations manual. All 686 items were located, with 678 (99%) having an accurate location and description. However, items were not always packaged or sealed according to division standards.

We also found that Property and Evidence staff had excessive administrative access to the property management system (see Issue #14) and that the system lacked many automated safeguards to prevent data entry errors. Further, MCSO was using duplicative, obsolete, and incomplete location categories. Misclassifications could cause delays when fulfilling requests and jeopardize evidence admissibility in court.

Conclusion #2A: Comprehensive property and evidence inventories and routine audits should be completed and documented.	
Recommendation	MCSO Action Plan
2A-1 Establish procedures to ensure comprehensive inventories and audits are conducted at least annually.	Concur – in process Comprehensive inventory and audit procedures as required by the Property and Management Operations Manual will be initiated. Target Date: 10/1/2015
Conclusion #2B: Manual records should be entered into the Property and Evidence Management System.	
Recommendation	MCSO Action Plan
2B-1 Establish a process and timeline to expedite the conversion of manual records to electronic records in the Property and Evidence Management System to ensure the consistent management of evidence.	Concur – implementation not currently possible There are an estimated 150,000 manual files that require conversion and examination. The staff is not available to complete this task. Currently, MCSO is converting high risk invoices when time permits. Alternative methods to expedite evidence tracked with manual files will be researched. Two additional personnel will be requested in the next budget cycle to accommodate the added responsibilities of Property and Evidence. Expedited entry will occur when additional

Recommendation	MCSO Action Plan
	resources are identified. Target Date: 7/22/2016
Conclusion #2C: Ninety-nine percent of sampled property and evidence items were located, and were accurately documented in the tracking system.	
Recommendation	MCSO Action Plan
None	N/A
Conclusion #2D: Processes for inputting, modifying, and monitoring data entered into the Property and Evidence Management System needs improvement.	
Recommendations	MCSO Action Plan
2D-1 Determine if the Property and Evidence Management System has data entry and validation controls that can be activated.	Concur – will implement with modifications Currently the Evidence Management System does not have those capabilities. Collaboration with MCSO IT and the vendor QueTel to determine if those controls can be added and, if so, how long will it take to have the controls available. Target Date: 9/29/2015
2D-2 Create system-generated reports summarizing data entry and record modifications. Implement routine reviews of the reports to identify data-entry errors and inappropriate record changes.	Concur – in process Currently the Evidence Management System does not have these capabilities. We have submitted a request to the MCSO Technology Bureau and are working with them and the system vendor on new reports. Target Date: 9/30/2015
2D-3 Update the Property and Evidence Management System to ensure location categories are current and accurate.	Concur – will implement with modifications Location categories will be reviewed at least quarterly to ensure they are current and accurate. This process will be added to the Property and Evidence Operations Manual. Target Date: 9/29/2015

Conclusion #2E: Administrative access to the Property and Evidence Management System is not appropriately restricted.

Recommendation	MCSO Action Plan
<p>2E-1 If administrative access cannot be further restricted for the Property and Evidence Management System, consider requiring secondary approval for changes to an item’s description and ownership fields.</p>	<p>Concur – implementation not currently possible</p> <p>Currently the Evidence Management System does not have these capabilities. We will work with MCSO Technology Bureau and the system vendor to determine if those controls can be added and, if so, how long will it take to have the controls available.</p> <p>Target Date: 2/15/2016</p>

Conclusion #2F: Procedures for packaging and storing evidence need to be finalized and distributed to MCSO personnel.

Recommendation	MCSO Action Plan
<p>2F-1 Finalize evidence storage and packaging requirements and establish a training program to ensure personnel are aware of the requirements.</p>	<p>Concur – in process</p> <p>The Property and Evidence Operations manual, which includes evidence storage and packaging requirements, will be sent to the MCSO Policy Division for approval. Additionally, an E-Learning class for the proper packaging of evidence will be implemented.</p> <p>Target Date: 12/29/2015</p>

Issue #3: Property and Evidence Division – Chain of Custody and Release Procedures

Observation: The chain of custody log electronically documents each person who takes control of a piece of evidence from the moment it is collected at the crime scene until it is returned to the original owner, or is disposed of in accordance with state statute and MCSO policy. We reviewed the chain of custody logs for 25 items stored in the Property and Evidence Warehouse and found that the Property and Evidence Management System is logging chain of custody activity accurately and completely.

We also reviewed MCSO’s process for tracking the chain of custody when releasing evidence to officers for investigation, courts, external agencies, and owners. We found:

- 989 of 2,072 (48%) items listed as “out to officer” in the system had been checked out for more than a year with no follow-up.

- 21 of 55 (38%) sampled items had been released to an officer who was not listed as the case agent (investigating officer).
- 26 of 55 (47%) sampled items had been categorized in the system as “out to officer”, but supporting documentation showed that the items had been destroyed or released to court, the crime lab, an outside agency, or the owner.
- 13 of 55 (24%) sampled items had been categorized as “released to officer for return to owner”; however, the owner’s signature and photo ID were not on file supporting that the items were actually returned to the owner.

In addition, we reviewed nine released items in manual files. Each of the 9 items had been released to the case agent 7 to 15 years ago with no follow-up or status updates.

Conclusion #3A: The Property and Evidence Management System is accurately logging chain of custody user activity and prevents the logged information from being altered or deleted.	
Recommendation	MCSO Action Plan
None	N/A
Conclusion #3B: Controls for evidence released to officers need strengthening.	
Recommendations	MCSO Action Plan
3B-1 Establish and document procedures to ensure the chain of custody for items “released to officer for court” (and other locations) is accurately documented and that items checked out are returned timely.	<p>Concur – in process</p> <p>We will conduct in house training to all Property Management personnel on proper documentation in the OIM when releasing items for court or other functions. Add this procedure to the Drafted operations manual.</p> <p>Additionally, a process will be implemented to contact officers who have checked out items for more than 60-90 days. This process will be added to the Property and Evidence Operations Manual.</p> <p>Target Date: 12/29/2015</p>
3B-2 Enforce the GJ-4 <i>Evidence Control Policy</i> , which restricts the storage of evidence to authorized locations.	<p>Concur – in process</p> <p>MCSO will direct all personnel that all property and evidence should be stored in the Property and Evidence Warehouse.</p> <p>Target Date: 9/31/2016</p>

Recommendations	MCSO Action Plan
<p>3B-3 Establish and document a process to ensure items are released to authorized persons.</p>	<p>Concur – in process</p> <p>We will conduct division training on Property Management Operations manual Section 313. Amend the policy to reflect mandatory signatures and secondary office employee signature.</p> <p>Target Date: 10/31/2015</p>
<p>3B-4 Follow up on items that have been checked out for extended periods of time with no status updates.</p>	<p>Concur – implementation not currently possible</p> <p>Currently there are 3,000 of these items out to officers in OIM and approximately 3,000 more in the paper invoices that are not in the OIM. There is currently no personnel available for this function. Follow-up will occur when additional resources can be identified.</p> <p>Target Date: 7/22/2016</p>

Issue #4: Property and Evidence Division – Items Returned to Owner

Observation: We selected a random sample of 40 items that had been returned to an owner to determine if the returns were authorized by the court or prosecuting attorney, and by the MCSO case agent, as required by MCSO policy. We also determined if the items were released to authorized owners, and if the owner’s photo ID and signature were obtained and documented. Of the 40 items, we found:

- 40 (100%) had the required court or prosecuting attorney release form on file.
- 13 (33%) were authorized for return by an officer other than the listed case agent (there is no process to update the property and evidence management system when the case agent changes).
- 1 (3%) were returned to someone other than the owner; no documentation was found to show the owner had authorized the release.
- 3 (8%) were returned to the owner without obtaining a signature and 5 (13%) were returned without saving a copy of the photo ID.
- 2 (5%) were returned to the owner without the required documentation of both the photo ID and owner’s signature.

Conclusion #4A: All items returned to owner had proper release authorization from the court or prosecuting attorney.	
Recommendation	MCSO Action Plan
None	N/A
Conclusion #4B: Not all items returned to the owner had approval by the case agent and other required documentation.	
Recommendations	MCSO Action Plan
4B-1 Establish and document a process to update the Property and Evidence Management System when the case agent changes.	Concur – in process We will work with the Investigations and Patrol Divisions to ensure the case agent field is updated when a change occurs. Target Date: 10/15/2015
4B-2 Ensure that the property owner's signature and a copy of the owner's photo ID are on file prior to returning property and evidence.	Concur – in process We will conduct division training on the Property Management Operations manual Section 313. Amend the policy to reflect mandatory signatures and secondary office employee signature. Target Date: 10/31/2015
Conclusion #4C: The Property and Evidence Warehouse should be the primary release location, except in unique circumstances where a victim's welfare is a concern.	
Recommendation	MCSO Action Plan
4C-1 Define in policy when it's appropriate for an officer to return property directly to the owner and what documents are required.	Concur – in process We will submit a revision to the Policy Compliance Division to revise Policy GE-3 to reflect that all impounded property will be release at Property Management unless exigent circumstances exist. Target Date: 9/31/2015

Issue #5: Property and Evidence Division – Diverting Property for MCSO Use

Observation: Industry standards recommend that diversion of property and evidence for department use is appropriate if the item would otherwise be destroyed or auctioned. However, MCSO has not addressed this program in the Evidence Control Policy or in other policies. MCSO informally requires that division commanders approve requests

by memo. Furthermore, MCSO has not established a process to ensure firearms and other valuable equipment are added to inventory listings once diverted, as recommended by industry standards.

During our inventory testing, we discovered that MCSO transferred 521 firearms from the firing range to the Property and Evidence Warehouse. Property and Evidence personnel believe many of the firearms were originally property and evidence that had been diverted for use at the range. However, adequate documentation, including inventories and request memos, were not maintained. At this point, it is not feasible to identify the original source of the firearms. Since our review, MCSO has begun auctioning these firearms. Prior to auctioning a firearm, MCSO verifies the weapon is not listed as stolen in the National Crime Information Center database. While MCSO does check the Property and Evidence Management System to verify the firearm is not involved in an active case, they do not perform similar checks against the manual files.

Conclusion #5A: The process of diverting property and evidence for MCSO use needs to be formally documented and approved.	
Recommendations	MCSO Action Plan
5A-1 Develop a policy specifying procedures for diverting and for conducting inventories of firearms and of other property for MCSO use.	Concur – in process The draft operations manual details the diversion process in the Disposal Guidelines Section and will be submitted to the Policy and Compliance Division for approval. Target Date: 10/15/2015
5A-2 Before auctioning firearms, query all evidence tracking records to confirm that the selected firearms are not connected to open investigations.	Concur – completed Firearms of unknown origin will be retained until it can be confirmed they are not associated with an active investigation.

Issue #6: Property and Evidence Division – Facility Access

Observation: The Property and Evidence Division has implemented multiple physical security safeguards, including warehouse badge access with multi-level access required for high risk areas. We reviewed a list of employees who are authorized to access the Property and Evidence Warehouse and found no exceptions. We also reviewed facility access logs from January 2014 through December 2014 and found 175 instances in which access by unauthorized employees was attempted, then denied, and then overridden. Property and Evidence Division management was not aware of the

overrides or who authorized them. While industry standards recommend routine reviews of facility access logs, MCSO does not perform them.

Conclusion #6A: The level of facility access by personnel assigned to the Property and Evidence Warehouse is appropriate.	
Recommendation	MCSO Action Plan
None	N/A
Conclusion #6B: Procedures for reviewing Property and Evidence Warehouse access logs need to be implemented.	
Recommendation	MCSO Action Plan
6B-1 Establish and document a procedure to ensure that facility access logs, including overrides, are routinely reviewed for inappropriate activity.	Concur – in process We will update the Property Management Operations Manual Facilities Security Hours of Operation Section and review data monthly. Target Date: 8/29/2015

Issue #7: Records Division – Policies and Procedures

Observation: The Records Division manages key records to ensure accurate and complete information is available for the administration of justice. We compared MCSO’s policies, procedures, and training manuals, to federal and state requirements, and to industry guidelines. We found that, while the policies closely align with the identified guidance, they are not specific, and several requirements are not adequately covered in the training manuals, as follows:

- Records retention requirements and limitations on the release of incidents reports for commercial purposes are not addressed.
- Required elements of the Arizona Criminal Justice Information System (ACJIS) and the National Crime Information Center (NCIC), related to warrants and orders of protection, are not addressed.
- An updated Criminal Records and Fingerprinting Manual was not available for review.

Conclusion #7A: Records Division training manuals should address all key operational requirements.	
Recommendation	MCSO Action Plan
7A-1 Establish section-specific operation manuals (addressing all applicable legal and regulatory requirements) in accordance with MCSO Policy GA-1 <i>Development of Written Orders</i> .	Concur – in process All 5 manuals will be updated to include statutory requirements and indicate specific ACJIS and NCIC rules and regulations. Target Date: 12/31/2015

Issue #8: Records Division – Criminal History Records

Observation: The State of Arizona maintains an electronic repository of all criminal history records to ensure that accurate information is readily available for the effective administration of justice throughout the State. State statute requires MCSO to fingerprint certain arrestees and forward arrest information to the Arizona Department of Public Safety (DPS) within 10 days.

From July 2014 through December 2014, MCSO was responsible for transmitting fingerprints and arrest information for 12,291 (22%) inmate bookings. We found that MCSO’s transmissions were accurate for 90 randomly-selected bookings and on time for 50 randomly-selected bookings. The statute changed on 4/1/15, which may increase MCSO’s responsibility over transmitting criminal history on behalf of other arresting agencies.

We reviewed MCSO operations related to criminal history and fingerprint reporting and found that MCSO:

- Fingerprinted the vast majority (99.99%) of inmates before release from custody in calendar year 2014, although MCSO’s Jail Management System does not track inmates released without being fingerprinted.
- Does not fingerprint all inmates within 24 hours of acceptance into MCSO custody, as required by MCSO policy, because of inmate psychiatric instability, safety risk, or inmate refusal.
- Received required reimbursement payments from DPS totaling \$35,000 in fiscal year (FY) 2014 for providing fingerprinting services to several arresting agencies.
- Does not have user agreements with law enforcement agencies for which it provides fingerprinting services, as required by MCSO’s IGA with DPS.

Conclusion #8A: A recent statutory change may increase MCSO's responsibility and workload for criminal history reporting.	
Recommendation	MCSO Action Plan
8A-1 Assess the impact of the criminal history statute change and update fingerprinting procedures accordingly.	Concur – in process MCSO is currently evaluating the statute change for impacts to its operations. Target Date: 12/31/2015
Conclusion #8B: Criminal history and fingerprint records appear to be updated accurately and on time.	
Recommendation	MCSO Action Plan
None	N/A
Conclusion #8C: Inmates are generally fingerprinted prior to release from custody; however, tracking needs to be improved.	
Recommendation	MCSO Action Plan
8C-1 Establish and document a process to identify when arrestees are released prior to being fingerprinted; include how tracking of fingerprints will be implemented in the new Jail Management System (SHIELD).	Concur – implementation not currently possible We will provide input to the SHIELD committee when fingerprint processes are discussed. These requirements will be submitted to the system implementation team. Target Date: 3/31/2016
Conclusion #8D: Not all inmates are fingerprinted within MCSO's required timeframes due to extenuating circumstances, such as the inmates' psychiatric instability or other safety risks.	
Recommendation	MCSO Action Plan
8D-1 Update MCSO Policy DO-3 <i>Identification Process</i> and associated operations manuals to address all common circumstances that prevent obtaining fingerprints within required timeframes (e.g., psychiatric instability of inmates or other safety risks), including requirements for documentation in JMS.	Concur – in process We will work with MCSO Policy and Compliance to update the policy. Target Date: 12/31/2015

Conclusion #8E: MCSO received required reimbursement payments from DPS in FY 2014.	
Recommendation	MCSO Action Plan
None	N/A
Conclusion #8F: User agreements for criminal history reporting services provided to other agencies are needed.	
Recommendation	MCSO Action Plan
8F-1 Establish required agreements with user agencies in accordance with MCSO's IGA with DPS.	Concur – in process We will establish agreements with user agencies. Target Date: 12/31/2015

Issue #9: Records Division – Incident Reports

Observation: The Records Division is responsible for receiving, storing, and disseminating MCSO incident reports. Incident reports document enforcement events, internal investigations, citizen complaints, and many administrative actions. FBI standards recommend a centralized repository for and periodic inspections of reports. The Records Division retrieves incident information from one manual system and five electronic systems. We noted that, in some cases, multiple versions of reports existed. Additionally, MCSO does not track the submission of supplemental report documentation after the initial report has been filed.

We randomly selected 40 incident reports from July 2012 through December 2014 and found:

- 21 of 40 (53%) reports were not submitted to the Records Division within 10 days, as required by MSCO policy. Instead, they were submitted within 11 to 55 days (average of 29 days).
- 6 of 40 (15%) reports were not reviewed by a supervisor, as required. For an additional 4 reports (10%), we were unable to determine that the appropriate level of supervisory review occurred, due to missing documentation.
- 40 of 40 (100%) reports were accurately categorized in the Federal Uniform Crime Reporting database.
- 40 of 40 (100%) reports met minimum record retention requirements.

Conclusion #9A: Management of incident reports should be improved to ensure information integrity.	
Recommendations	MCSO Action Plan
9A-1 Evaluate the feasibility of integrating all incident report systems, including supplements, in the new Records Management System.	Concur – in process MCSO Records will work with the MCSO Technology Bureau to determine the feasibility of consolidating the various incident report databases. Target Date: 10/10/2015
9A-2 Implement periodic reviews of incident report files.	Concur – in process The Bureau of Internal Oversight will conduct periodic reviews of incident report files. Target Date: 10/10/2015
Conclusion #9B: The process for submitting and reviewing incident reports needs improvement.	
Recommendation	MCSO Action Plan
9B-1 Establish a consistent approach to ensure report submissions are timely and are reviewed appropriately. Consider the use of escalation and disciplinary action for non-compliance.	Concur – in process The Records Division will re-evaluate the current incident report review process to ensure verification of supervisor's review is included. The Records Division Commander will send initial and secondary follow up communications to all Patrol Division commanders with past due reports on a monthly basis. If reports are not submitted after the secondary follow up, the issue will be escalated to the Bureau Chief and a note will be added to the responsible party's disciplinary file. Target Date: 10/10/2015
Conclusion #9C: Uniform crime reporting appears accurate.	
Recommendation	MCSO Action Plan
None	N/A

Conclusion #9D: Records retention requirements for incident reports are being met.	
Recommendation	MCSO Action Plan
None	N/A

Issue #10: Records Division – Entry of Warrants into State and Federal Databases

Observation: MCSO is responsible for entering all warrants issued in Maricopa County into the Arizona Crime Information Center (ACIC) and/or the National Crime Information Center (NCIC) databases. In audits conducted in 2011 and 2012, the FBI and DPS found that MCSO was not entering warrants timely as required by ACIC and NCIC.

We randomly selected 40 warrants entered from July 2012 through December 2014 to determine if MCSO is entering warrants accurately and timely. We found that all warrants were entered accurately with minor exceptions. However, 27 of 40 (68%) warrants were not entered within 3 days, as required by ACIC and NCIC. Instead, they were entered in 4 to 21 days (average of 7.5 days).

Conclusion #10A: Warrants are entered accurately into federal and state databases.	
Recommendation	MCSO Action Plan
None	N/A
Conclusion #10B: The timeliness of entering warrants into federal and state databases can be improved.	
Recommendation	MCSO Action Plan
10B-1 Develop and document a plan to achieve compliance with ACIC/NCIC requirements for timely entry of warrants.	Concur – in process We will use a multi- phase process. The first phase will be to develop a plan for compliance that includes resource requirements and submittal to MCSO management for approval. We will also initiate reclassification of Records Division staff to differentiate their responsibilities from the current County Clerk designation. Subsequent phases will be defined after completion of phase one. Target Date: 7/22/2016

Issue #11: Records Division – Warrant Status Inquiries

Observation: MCSO is responsible for responding to inquiries from law enforcement agencies regarding the validity of Maricopa County arrest warrants. This confirmation process is completed by phone or through electronic message printouts. It involves a review of the hard copy warrant file and the electronic record in ACIC or NCIC. Once the person listed on the warrant is in custody, or the warrant has been recalled by the originating court, MCSO clears the electronic record from ACIC/NCIC.

We selected 25 cleared warrant files from April 2014 through April 2015 to evaluate the turnaround of MCSO’s responses and to verify whether the electronic records were removed from state and federal databases. We found that all 25 records were appropriately removed. However, we could not calculate the response turnaround time because documentation was insufficient, as explained below.

- MCSO uses manual call logs that only capture the time the call was received, not the time staff provided confirmation.
- Files containing the electronic message printouts were not well organized.

MCSO met minimum record retention requirements for warrants. However, MCSO’s ability to make informed operational decisions may be inhibited by the lack of documentation related to performance.

Conclusion #11A: The call activity tracking process needs improvement, in order to better assess response times, enhance performance, and increase efficiency.	
Recommendation	MCSO Action Plan
11A-1 Consider tracking calls to monitor activity and performance.	Concur – in process We are investigating the feasibility of obtaining activity data from Department of Public Safety. Target Date: 10/10/2015
Conclusion #11B: Warrants are cleared in a timely manner.	
Recommendation	MCSO Action Plan
None	N/A

Issue #12: Records Division – Orders of Protection

Observation: MCSO is required by statute to register orders of protection issued by Maricopa County courts. It also responds to calls from law enforcement agencies requesting information about an order’s status and terms. We found that MCSO has not

established a process to confirm all orders have been received from the courts and subsequently entered into NCIC. Failure to confirm that all orders are received and entered may result in communicating inaccurate information to law enforcement agencies.

Additionally, in observing the process, we noted that MCSO does not comply with the NCIC requirement to perform a second-party check of the order of protection information entered into NCIC.

Conclusion #12A: Orders of protection should be tracked to ensure all orders received are entered into NCIC.	
Recommendation	MCSO Action Plan
12A-1 Develop and document a process to track the receipt and entry of orders of protection. Consider working with the courts that submit orders to include tracking of orders served and submitted to MCSO.	Concur – implementation not currently possible The issuance of orders of protection is under the ambit of the state judicial system and the various levels of court operate their individual jurisdictions independently. Currently, an integrated system for tracking orders from the point of service to entry does not exist. However, we will evaluate the possibility of logging the receipt and entry of orders once they are received by MCSO. Target Date: 6/30/2016
Conclusion #12B: Second-party verification of orders of protection entered into NCIC is needed.	
Recommendation	MCSO Action Plan
12B-1 Perform second-party verification of orders of protection entered into NCIC or document why compliance is not possible.	Concur – implementation not currently possible Staffing shortages and high turnover attribute to the non-compliance. We will initiate reclassification of Records Division staff to differentiate their responsibilities from the current County Clerk designation. Target Date: 7/22/2016

Issue #13: Information Technology – Data Center Environment and Access

Observation: We observed environmental controls at the MCSO data center, including raised floors, air conditioning, ventilation, a fire suppression system, security cameras,

and cable management practices. We found that these controls aligned with industry standards.

Additionally, the data center has several layers of physical security. However, access to the data center was not appropriately restricted. Of 193 employees that had access, 147 (76%) did not need it for their job duties.

Conclusion #13A: Environmental controls at the MCSO data center align with industry standards.	
Recommendation	MCSO Action Plan
None	N/A
Conclusion #13B: Policies and procedures governing physical access to the data center need to be formalized.	
Recommendations	MCSO Action Plan
13B-1 Establish written policies and procedures for data center access. Include procedures for establishing, monitoring, and terminating access.	Concur – in process Target Date: 9/30/2015
13B-2 Perform periodic data center access reviews.	Concur – in process Target Date: 9/30/2015

Issue #14: Information Technology – System Access

We evaluated whether (1) user access to the MCSO network and applications was approved and documented, (2) administrative (super user) access was appropriately restricted, and (3) terminated employees' access was removed timely. We found that MCSO:

- Appropriately restricts administrative access to the network and tested Records Division applications.
- Does not consistently maintain documentation for approval of user access; informal email approvals were available for 14 of 35 (40%) sampled users.
- Does not consistently update user access after termination, reassignment, or retirement (9 of 69 sampled).
- Does not conduct periodic user access reviews.

Of over 3,200 Property and Evidence management application users, 13 Property and Evidence Division employees have been given administrative access. Property and Evidence management reports that this level of access is required by staff to perform their job duties. Ideally, such access is not provided to operational employees because excessive access allows employees to modify and delete records and create and modify user accounts, increasing data integrity exposure.

Additionally, we reviewed MCSO's network and division-specific application password settings. We determined that network minimum password length and account lockout settings do not meet federal and state requirements. Two of three applications reviewed do not enforce password strength requirements.

Conclusion #14A: MCSO's user access administration process needs to be formalized.	
Recommendation	MCSO Action Plan
14A-1 Establish written procedures for user access administration for servers and applications.	Concur – in process Target Date: 9/15/2015
Conclusion #14B: Regular user access reviews should be performed.	
Recommendation	MCSO Action Plan
14B-1 Implement network and application user access reviews, including reviews of administrative access, on a basis commensurate with the business risk.	Concur – in process Target Date: 9/30/2015
Conclusion #14C: Network and application access settings need to be strengthened.	
Recommendation	MCSO Action Plan
14C-1 Establish a written policy for minimum password length and other attributes and account lockout requirements. Ensure policy aligns with state and federal Criminal Justice Information System requirements.	Concur – in process Target Date: 9/30/2015

Issue #15: Information Technology – Data Backup and Restoration

In order to maintain system and data availability in the case of an outage, MCSO has configured back-up jobs to run automatically at appropriate intervals for the Property and Evidence and Records Divisions' applications. Backup failure is actively monitored by either the database administrators for each of the reviewed systems or server infrastructure administrators. Ad hoc backup restore testing is performed to validate the reliability of the data.

Conclusion #15A: System backups for reviewed applications are set to run automatically.	
Recommendation	MCSO Action Plan
None	N/A
Conclusion #15B: Records Division's source document retention practices need to better align with the Technology Bureau's back-up procedures.	
Recommendation	MCSO Action Plan
15B-1 Retain source documents until the Technology Bureau performs a complete backup.	<p>Concur – in process</p> <p>The Technology Bureau performs a complete backup weekly and ad hoc back-up restores when requested by operational personnel.</p> <p>Records Division personnel will be instructed to maintain original documents for at least one week to ensure back up has occurred prior to document destruction.</p> <p>Target Date: 12/31/2015</p>

Issue #16: Information Technology – Change Management

Observation: System configuration changes to the servers or applications can impact operations and should be managed and tested to minimize service interruptions or system outages. MCSO does not have formally documented change management policies for approval, testing, and tracking of changes to the servers or applications. MCSO did not have documentation or evidence that the changes applied to the tested servers from January 2012 through December 2014 were approved or tested before implementation. MCSO reports that the system vendors generally retain this information.

Conclusion #16A: Information technology change management policies and procedures need to be formalized.	
Recommendation	MCSO Action Plan
16A-1 Implement a formal patch and configuration management process, including pre-implementation testing and approval. Document related policies and procedures.	Concur – in process Target Date: 1/31/2016

Issue #17: Cash Management – Policies

Observation: Although MCSO has a cash handling policy, it delegates responsibility for establishing written procedures to divisions that accept payments. Our review of each division’s written procedures found inconsistencies across and within divisions. Additionally, the MCSO Finance Division had not performed required audits or reviewed the written procedures established by each division. We also compared MCSO’s cash management policies to the Uniform Accounting Manual for Arizona Counties (UAMAC) and determined many UAMAC requirements were missing.

Conclusion #17A: Cash management policies and procedures should be strengthened.	
Recommendation	MCSO Action Plan
17A-1 Update and perform regular reviews of MCSO Policy GD-12 <i>Collecting, Safeguarding, and Disbursing Cash</i> to ensure cash handling requirements and expectations are consistent with UAMAC.	Concur – in process MCSO will update GD-12 for compliance with UAMAC. MCSO Finance will assist Judicial Enforcement Division in developing operating procedures. MCSO Finance and Bureau of Internal Oversight (BIO) will perform regular reviews. Target Date: 12/31/2015

Conclusion #17B: Random audits of cash management processes at cash receipting locations are needed.	
Recommendation	MCSO Action Plan
17B-1 Establish random audits of cash handling activities as required by MCSO Policy GD-12 <i>Collecting, Safeguarding, and Disbursing Cash</i> .	Concur – in process The BIO will include these audits as part of its normal operations and audit schedules. These audits are underway. Target Date: 9/30/2015

Issue #18: Cash Management – Segregation of Duties

Observation: We reviewed job responsibilities and MCSO cash management procedures to determine whether cash handling responsibilities were adequately segregated. We found several locations where cashiers and/or supervisors have the ability to complete most elements of the cash receipting cycle without adequate supervisory oversight.

Conclusion #18A: Cash management duties need to be segregated.	
Recommendation	MCSO Action Plan
18A-1 Review cash handling responsibilities to ensure duties at each division are properly segregated when receiving, recording, approving, authorizing, and maintaining custody of cash receipts.	Concur – in process The BIO will review the segregation of duties issues and work with the Judicial Enforcement Division to ensure these issues are addressed in the updated GD-12 Policy, as described in recommendation 17A-1 above. Target Date: 12/31/2015

Issue #19: Cash Management – Cash Management Procedures

Observation: We reviewed cash management processes for receipting, reconciling, depositing, and disbursing cash at six MCSO Support Services locations to determine if cash was adequately safeguarded in accordance with UAMAC requirements. We found no material discrepancies in cash disbursement procedures; however, we found the following when reviewing cash receipting:

- All locations do not use cash registers with automated cash receipts journals.
- Several manual receipts were missing.

- Cash receipts were not always deposited.
- Mail receipts are not opened, sorted, and logged by two employees.
- Checks are not immediately endorsed and secured upon receipt.
- A change fund had a higher amount than authorized.
- Some employees had excessive access to cash registers, cash boxes, and safes due to shared use of passwords and unsecured cash register keys.

Additionally, we found that daily reconciliations with a secondary review are not performed, and 19 of 81 (23%) deposits were not made within required timeframes.

Conclusion #19A: Cash management needs improvement to ensure cash receipts are secured from the time they are received until they are deposited.	
Recommendations	MCSO Action Plan
19A-1 Use cash registers with automated journals when accepting payments.	Concur – in process MCSO will purchase cash registers for these locations. Target Date: 12/31/2016
19A-2 Establish procedures that require separate drawers for each cashier, secured register keys, immediate endorsement of checks, and restricted and routinely changed safe combinations.	Concur – In process These procedures will be addressed in the updates to GD-12 and, if appropriate, the Judicial Enforcement Division operating manuals. Target Date: 12/31/2015
19A-3 Attempt to locate missing manual receipts. If receipts cannot be located, conduct an investigation as to why the Record's Division was missing manual receipts.	Concur – in process The BIO will work with Judicial Enforcement Division during a regularly scheduled inspection to find missing receipts. If they cannot be located, the PSB will investigate the reasons for the lack of receipts in accordance with MCSO Policy GH-2, Administrative Investigations, or CP-2. Target Date: 12/31/2015

Conclusion #19B: Procedures for preparing and processing deposits and reconciliations need improvement.

Recommendations	MCSO Action Plan
<p>19B-1 Establish daily opening and closing procedures that require both cashiers and supervisors at the Records and Civil Divisions to reconcile opening and closing balances to daily receipts and daily cash receipt summaries.</p>	<p>Concur – will implement with modifications Updates to procedures will be addressed in 17A-1. However, based on workload there are not always supervisors on-site to do the daily reconciliations. The procedures will be written to address this issue. Target Date: 12/31/2015</p>
<p>19B-2 Establish procedures to ensure deposits at the Civil Division are timely.</p>	<p>Concur – in process These procedural changes will be included in Policy GD-12 or operating procedures, as appropriate. Target Date: 12/31/2015</p>
<p>19B-3 Ensure daily, weekly, and monthly reconciliations at the Civil and Records Divisions are appropriately completed, reviewed, and approved.</p>	<p>Concur – in process Reconciliation procedures will be included in Policy GD-12 or operating procedures, as appropriate. The BIO will add random audits of compliance to its schedule. Target Date: 12/31/2015</p>

Conclusion #19C: Inadequate cash management controls at multiple locations increases the risk that misappropriations are not identified.

Recommendation	MCSO Action Plan
<p>19C-1 Evaluate reorganizing the multiple cash handling activities into one payment center to improve effectiveness and efficiency.</p>	<p>Concur – in process MCSO is developing plans and training personnel to consolidate cash management activities under the Judicial Enforcement Division. Target Date: 12/31/2015</p>

Conclusion #19D: Cash disbursement procedures align with the Uniform Accounting Manual for Arizona Counties.

Recommendation	MCSO Action Plan
<p>N/A</p>	<p>None</p>