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**CONTROLS OVER LETHAL AND LESS-LETHAL WEAPONS AND
AMMUNITION
PERFORMANCE AUDIT**

MARCH 2016

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AUDIT SERVICES DEPARTMENT

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To: Audit Services Oversight Committee
From: Germaine F. Brewington, Director
Audit Services Department
Date: April 25, 2016
Re: Controls over Lethal and Non-Lethal Weapons
Performance Audit (March 2016)

The Department of Audit Services completed the report on Controls over Lethal and Less-Lethal Weapons and Ammunition Performance Audit dated March 2016. The purpose of the audit was to evaluate the adequacy of internal controls over lethal and less-lethal weapons and ammunition inventory at the Durham Police Department.

This report presents the observations and results of the Controls over Lethal and Less-Lethal Weapons and Ammunition Performance Audit dated March 2016. City management concur with the recommendations made. Management's response to the recommendations is included with the attached report.

The Department of Audit Services appreciates the contribution of time and other resources from employees of the Durham Police Department.

TABLE OF CONTENTS

<u>BACKGROUND INFORMATION</u>	5
<u>EXECUTIVE SUMMARY</u>	7
<u>OBJECTIVES, SCOPE AND METHODOLOGY</u>	8
<u>AUDIT RESULTS</u>	10
<u>RECOMMENDATIONS</u>	15
<u>MANAGEMENT'S RESPONSE</u>	17

BACKGROUND INFORMATION

Any firearm, device, instrument, material, or any other substance that is capable of producing great bodily harm or death from the manner it is used or intended to be used, may be referred to as a lethal weapon. A firearm, sword, knife, pistol, or the like, is a lethal weapon.

Less-lethal weapons pose a great risk of lethal injuries, but are not likely to cause death or great bodily harm if used in the manner prescribed by the manufacturer. Examples of less-lethal weapons include tasers, pepper spray, and tear gas.

The Police Department personnel use both lethal and less-lethal weapons in order to carry out their duties and responsibilities. Lethal and less-lethal weapons can be susceptible to loss, theft and/or misuse as a result of weak inventory controls. Adequate controls should exist to properly safeguard these weapons.

In addition to lethal and less-lethal weapons the audit also included a review of controls over ammunition. Ammunition is classified as either duty or practice. Duty ammunition is a more expensive, higher reliability ammunition. It is issued to be carried on duty and is replaced once a year. Practice ammunition is used for firearms training and practice.

As per the Police Department staff, all inventories issued and in stock at the various locations amounted to the following as of March 17, 2016.

	Value of Inventory (March 2016)
Firearms	\$804,583.00
Tasers and Cartridges	\$364,569.00
Ammunition	\$198,689.00
Total	\$1,367,841.00

As per the above spreadsheet, the Durham Police Department's firearms were valued at \$804,583. This amount is higher than normal because of the on-going exchange of new firearms.

BACKGROUND INFORMATION

As a result of this exchange the Department currently holds double the amount of firearms. Once the exchange has been completed, the old firearms will be returned to the vendor. This will reduce the total value of firearms from \$804,583 to \$478,550.

The Training Division of the Police Department is responsible for oversight of the lethal and less-lethal weapons and ammunition inventory.



EXECUTIVE SUMMARY

Purpose

The purpose of the audit was to evaluate the adequacy of internal controls over lethal and less-lethal weapons and ammunition inventory at the Police Department.

The Audit Services staff 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 and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Results in Brief

Overall, the Police Department staff had established a control framework over inventory management of lethal and less-lethal weapons and ammunition inventory. Adequate controls existed over the issuance of lethal and less-lethal weapons inventory. In addition, adequate segregation of duties existed over lethal and less-lethal weapons and ammunition. The Durham Police Department staff proactively created an Access Database to track ammunition inventory prior to completion of the audit field work.

The Police Department staff can enhance the overall controls by:

- 1) Establishing written procedures for the inventory management process;
- 2) Performing periodic inventory counts;
- 3) Strengthening safeguards over shotguns at 2 districts; and
- 4) Re-assessing access to shotguns at the two aforementioned districts.

OBJECTIVES, SCOPE AND METHODOLOGY

Objectives

The objectives of the audit were to:

- Evaluate the effectiveness of controls over the management of lethal and less-lethal weapons and ammunition inventory specifically as it relates to issuance, procurement, segregation of duties and tracking; and
- Verify controls over the safeguarding of lethal and less-lethal weapons and ammunition inventory.

Scope

The scope of this engagement included all current practices pertaining to the issuance, management, procurement and safeguarding of lethal and less-lethal weapons and ammunition inventory at the Police Department. Transactions related to the purchase of lethal and less-lethal weapons were reviewed for the period of FY 2014, FY 2015 and FY2016.

Methodology

To accomplish the objectives of this audit, Audit Services staff performed the following steps:

1. Interviewed Police Department Personnel responsible for purchasing, issuing, managing lethal and less-lethal weapons and ammunition;
2. Verified for a selected sample of employees, that the weapon in their possession was the weapon that was assigned to them based on the spreadsheet used to track inventory;
3. Verified the adequacy of controls during issuance of new weapons to the police officers;
4. Reviewed controls over the issuance of lethal and less-lethal weapons inventory for adequacy;
5. Evaluated the adequacy of the inventory tracking system for lethal and less-lethal weapons as well as ammunition;

OBJECTIVES, SCOPE AND METHODOLOGY

6. Verified the existence of the lethal and less-lethal inventory in stock at the various locations by:
 - a) Randomly selecting items from the excel spreadsheet and verifying the quantity on hand;
 - b) Randomly selecting items from the floor and verifying them to the excel spreadsheets;
7. Determined the amount of purchases pertaining to lethal and less-lethal weapons and ammunition for FY 2014, FY 2015 and FY 2016;
8. Obtained the total value of the lethal, less-lethal and ammunition inventories;
9. Evaluated segregation of duties over procuring, issuing, recording and managing of lethal and less-lethal weapons;
10. Verified if the purchase of lethal and less-lethal weapons and ammunition were properly approved;
11. Documented and reviewed the methodology for determining the amount of lethal and less-lethal weapons to purchase;
12. Documented and reviewed the methodology for determining the amount of ammunition to purchase;
13. Reviewed the vendor selection process for acquiring lethal and less-lethal weapons as well as ammunition;
14. Verified the adequacy of controls over the safeguarding of lethal and less-lethal weapons as well as ammunition;

During the audit, the staff also maintained awareness to the potential existence of fraud.

AUDIT RESULTS

Overall, the Police Department staff had established a control framework over inventory management of lethal and less-lethal weapons and ammunition inventory. However there is room for enhancement in the overall management of this process.

Effective Practices:

- **Adequate controls existed over the issuance of lethal and less-lethal weapons inventory.**

All officers were required to sign an issuing card upon receipt of their assigned firearms. An excel spreadsheet was used to track this information. Audit Services staff randomly selected 12 % (66) officers that were issued firearms and verified that the firearm in the officer's possession was the firearm that was assigned to him/her. This verification was achieved by comparing the serial numbers of the firearm in the officer's possession to the serial number on file as per the excel spreadsheet. No exceptions were noted.

The Police Department staff were in the process of issuing new firearms to police officers during the time of audit field work. Audit staff observed the firearm swap process for 66 officers to ensure adequate issuance controls were being administered at the time of the swap. No exceptions were noted.

Controls over the issuance of tasers were also reviewed. Tasers were issued to officers during in-service training. Upon receipt of the tasers, officers were required to submit the serial number of the taser as well as the cartridges to the issuing officer. An excel spreadsheet was used to track the information relevant to the issuance.

- **Effective controls existed over management of the lethal weapons inventory.**

Durham Police Department staff tracked firearms inventory in an excel spreadsheet. The spreadsheet

captured all firearms issued to police officers and also tracked inventory that was housed at the different locations (range, stock room, and districts). Audit staff performed an inventory count of all firearms housed at all the various locations, noting one exception. The serial number of one of the weapons that was confiscated from the public did not match the serial number that was on the spreadsheet, although the description of the weapon was the same. These confiscated weapons are used in training to educate officers about the types of weapons that are on the streets.

- **Segregation of duties was adequate over lethal and less-lethal weapons and ammunition.**

The purchasing, ordering, receiving and tracking functions were all performed by separate positions. In addition, adequate management oversight also existed.

- **The Durham Police Department staff proactively created an Access Database to track ammunition inventory prior to completion of audit field work.**

At the beginning of field work the Police Department staff did not have adequate controls in place to manage ammunition inventory. The Police Department staff utilized a Vault Sign-In Form to capture information on employees that deactivated the vault. In addition, a Duty/Practice Ammunition Log was used to capture the amount and type of ammunition issued to officers. An inventory management system was not used to track ammunition purchases and usage. An inventory management system is a series of procedures, often aided by computer software that tracks assets progressing through inventory. A properly used and maintained inventory management system enables management to know how much inventory it has at any given time.

AUDIT RESULTS

The new database was designed to capture all ammunition purchases and removal of ammunition from the vault by officers. In addition, an excel spreadsheet was also utilized to track the ammunition issued to officers for training purposes. The Department can strengthen the controls around ammunition inventory by considering the following:

- 1) Establish a procedure to reconcile the excel spreadsheet to the Access Database.
- 2) Access to the database used to track ammunition should be restricted to only employees in charge of maintaining the database.

Several employees have access to the database used to track ammunition. Providing numerous employees access to the database without restricting their ability to change/edit data, can increase the risk of error and/or unapproved changes to data. Access to edit/change the database should only reside with employees in charge of maintaining the database. Reports should be generated for other employees that need to review information from the database.

- **Adequate controls existed over the procurement of lethal and non-lethal weapons and ammunition.**

The Audit Services staff reviewed purchases of ammunition, firearms, and tasers for proper approval. No exceptions were noted.

Areas for enhancement:

- **Written procedures to guide issuance and management of lethal and less-lethal weapons and ammunition did not exist.**

The development and use of written procedures are an integral part of a successful quality control system.

AUDIT RESULTS

Written procedures provide employees with information to perform a job properly and facilitate consistency in the quality and integrity of the results. Lack of written processes can increase the risk of errors and fraud. Written procedures should address the frequency of updating information in the excel spreadsheets and the Access Database used to track lethal, less-lethal weapons and ammunition.

In addition, written procedures should also address performance of periodic inventory counts. The Training Division Range Master stated that, “periodic inventory counts of ammunition were performed in order to determine the amount of ammunition to purchase”. However, periodic inventory counts should also be performed to validate the completeness and accuracy of the inventory records. Physical inventories should be conducted for lethal and less-lethal weapons and ammunition on a periodic basis. In the absence of performing physical inventory counts, there is an increased risk that inventory assigned to Durham Police Department personnel is not properly validated and actual inventory on hand could be misstated.

- **The excel spreadsheet used to track tasers did not reconcile total inventory purchased to inventory issued, damaged, needing repairs, disposed of or sold.**

The X26 Tasers were being phased out, and as they were exchanged with the new X2 Tasers, they were being sold to Accredited Security Company. The numbers of sold tasers were being tracked separately. The spread sheet used to track information on tasers captured the total number of X26 Tasers issued, damaged, in stock and needing repair. However, a reconciliation was not performed to ensure the total number of tasers purchased equaled the number of tasers issued, damaged, in stock, needing repairs or sold. This information should be captured in the spreadsheet to ensure the staff can account for the total number of tasers purchased.

Overall lethal, less-lethal weapons and ammunition were safeguarded adequately. Insufficient security over shotgun storage was noted at two districts.

Audit Services staff examined the physical security measures over lethal, less-lethal weapons and ammunition housed at all locations.

Shotguns were stored in a potentially un-secured environment at two district facilities. As a result, there was an increased risk of theft of these items. Additional layers of security measures should exist at all locations in order to mitigate the risk of theft of the shotguns.

Employee access to storage facilities that housed lethal and less-lethal weapons and ammunition was also reviewed. All officers at two district facilities had access to the shotguns. Providing all officers access poses a risk that uncertified officers might use a shotgun in the line of duty. Officers are required to be certified in order to use a shotgun.

Conclusion

Overall, the Police Department staff had established a control framework over inventory management of lethal and less-lethal weapons and ammunition inventory. Adequate controls existed over the issuance of lethal and less-lethal weapons inventory. In addition, adequate segregation of duties existed over lethal and less-lethal weapons and ammunition. The Durham Police Department staff proactively created an Access Database to track ammunition inventory prior to completion of the audit field work.

The Police Department staff can enhance the overall controls by:

- 5) Establishing written procedures for the inventory management process;
- 6) Performing periodic inventory counts;
- 7) Strengthening safeguards over shotguns at 2 districts; and
- 8) Re-assessing access to shotguns at the two aforementioned districts.

RECOMMENDATIONS

Recommendation 1

The Durham Police Department should draft written procedures pertaining to lethal and less-lethal weapons and ammunition inventory management. At a minimum the written procedures should address:

- 1) Performing periodic physical counts of lethal and less-lethal weapons and ammunition inventory at all locations;
- 2) The frequency for updating the excel spreadsheet used to track the lethal and less-lethal weapons inventory and the Access Database used to track ammunition;
- 3) A reconciliation of the Access Database to the excel spreadsheet used to track ammunition issued to officers; and
- 4) Access to the inventory management systems (excel spreadsheet/Access Database).

The Durham Police Department should monitor compliance with these revised policies.

Recommendation 2

The Durham Police Department staff should evaluate and strengthen the security over shotguns stored at the two Districts identified in the audit.

Recommendation 3

The Durham Police Department staff should review and re-assess officer access to the shotguns at the two Districts identified in the audit.

RECOMMENDATIONS

Recommendation 4

The Durham Police Department staff should track total purchases of tasers on the excel spreadsheet currently in use; and reconcile the total number of tasers purchased to number of tasers issued, in stock, needing repair and sold.



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Memo to: Dr. Germaine F. Brewington, Director of Audit Services
From: L. C. Smith, Interim Chief of Police
Date: April 21, 2016
Subject: **Management's Response to Controls over Lethal and Less-Lethal Weapons and Ammunition Performance Audit (March 2016)**

The following is management's response to the Controls over Lethal and Less-Lethal Weapons and Ammunition Audit dated March 2016.

Recommendation 1:

The Durham Police Department should draft written procedures pertaining to lethal and less-lethal weapons and ammunition inventory management. At a minimum the written procedures should address:

- 1) Performing periodic physical counts of lethal and less-lethal weapons and ammunition inventory at all locations;**
- 2) The frequency for updating the excel spreadsheet used to track the lethal and less-lethal weapons inventory and the Access Database used to track ammunition;**
- 3) A reconciliation of the Access Database to the excel spreadsheet used to track ammunition issued to officers; and**
- 4) Access to the inventory management systems (excel spreadsheet/Access Database).**

The Durham Police Department should monitor compliance with these revised policies.



Management's Response

We concur. Management is in full agreement with the recommendation.

We will draft the necessary procedures to detail our lethal, less-lethal, and ammunition inventory level management systems to ensure long-term application and performance monitoring.

Implementation Date: July 2016.

Recommendation 2:

The Durham Police Department staff should evaluate and strengthen the security over shotguns at the two Districts identified in the audit.

Management's Response

We concur. Management is in full agreement with the recommendation.

We will work with the affected District Commanders to relocate the shotgun storage to a more secure position within their substations.

Implementation Date: July 2016.

Recommendation 3:

The Durham Police Department staff should review and re-assess officer access to the shotguns at the two Districts identified in the audit.

Management's Response

We concur. Management is in full agreement with the recommendation.

We will review our procedures that address officer access to shotguns stored in all the District Substations to ensure that the appropriate personnel have access. We will make changes as needed.

Implementation Date: July 2016.

Recommendation 4:

The Durham Police Department staff should track total purchases on the excel spreadsheet currently used to track Tasers and reconcile total number of Tasers purchased to Tasers issued, in stock, needing repair and Tasers sold etc.

Management's Response

We concur. Management is in full agreement with the recommendation.

We will combine our various tracking methods for our Taser program to ensure that efforts are not duplicated and all available and appropriate data is consolidated on one spreadsheet or database. This spreadsheet/database will include appropriate descriptors to address the purchase, issue, repair, and disposal of all Tasers.

Implementation Date: July 2016.