Follow-up on King County Sheriff's Office Audit of High-Risk Equipment

The King County Sheriff's Office has made good progress implementing procedures for assessing risk and inventorying equipment, reducing the potential for loss or misuse. Led by its inventory control manager, the Sheriff's Office completed edits to the general orders manual (GOM) that describe the expectations for inventory control practices, by role, across the office. Together with the property risk assessment matrix, these changes provide a solid framework for assessing the risk of Sheriff's Office equipment and preventing its loss or theft. In addition, the Sheriff's Office has implemented its new asset management software system, Collective Quartermaster. The system allows the Sheriff's Office to collect and maintain a broader range of inventory data, allowing for life cycle management practices for Sheriff's Office equipment needs. This work directly led to completion of two audit recommendations and contributed to advancing three open recommendations to the "progress" category.

The Sheriff's Office made no progress addressing two key recommendations regarding contract partner-owned equipment, perpetuating the risk of loss and misuse for these items. In providing law enforcement services to contract partners, the Sheriff's Office uses both its own equipment and equipment owned by those partners. As addressed in the audit, contract partner-owned equipment carries the same risk as that owned by King County, and accordingly must be managed by the Sheriff's Office as the custodian of these items. However, the Sheriff's Office made no progress since the last audit follow-up (August 2021) addressing the two recommendations focused on contract partner-owned equipment, despite previously stated plans. Focused attention on these recommendations by creating a process for approving use of contract partner-owned equipment, and procedures for inventorying it, will address the underlying risk.

Of the eleven audit recommendations:

✓ **3 DONE**	☺ **7 PROGRESS**	! **1 OPEN**
Fully implemented Auditor will no longer monitor.	**Partially implemented** Auditor will continue to monitor.	**Remain unresolved** Auditor will continue to monitor.

Please see details below for implementation status of each recommendation.

Recommendation 1	On August 2, 2021	DONE ✓

Recommendation 2		DONE ✓

The King County Sheriff's Office should update and implement policies and procedures to conduct ongoing risk assessments of its equipment.

STATUS UPDATE: In May 2022, the Sheriff's Office finalized and adopted language in its GOM for its Property Control Program. Section 8.09 lays out the responsibilities for property and equipment control by role across the Sheriff's Office and includes that the inventory control manager shall "conduct ongoing risk assessment of property and equipment control policy and procedures." As explained in our last audit follow-up (August 2021), the inventory control manager developed a risk assessment matrix that categorizes equipment into risk categories by type, and each individual item within the Sheriff's Office's asset management software retains its appropriate risk category throughout its life cycle.

IMPACT: In our last audit follow-up (August 2021), we explained that the Sheriff's Office should "develop guidance regarding the timing of future risk assessments." The approach used in the GOM and risk assessment matrix makes this a constant process; items are categorized by their risk at the time they are acquired, and future changes to individual items or entire risk categories can be implemented across the asset management system. Through this approach, the Sheriff's Office proactively helps secure its equipment from loss or theft, and helps ensure items have the level of control appropriate to their risk to the public.

Recommendation 3		PROGRESS ⋯

The King County Sheriff's Office should assess the adequacy of current controls and develop and implement guidance for safeguarding high-risk items across the department based on that assessment.

STATUS UPDATE: Since the last audit follow-up (August 2021), the Sheriff's Office has implemented its asset management system, Collective Quartermaster (Quartermaster). As explained above, each asset within the system database has an assigned risk category; this field is required for every fixed asset and equipment item. Quartermaster auto-generates a weekly risk category control report for the inventory control manager. The system also lists the asset manager for each item/item group. Asset managers are being trained on the new process and the risk category requirements. As of November 1, 2022, roughly 36 percent of asset managers (21 of 59) have been trained on the new system. Implementation and training for asset managers is scheduled through the second quarter of 2023.

WHAT REMAINS: This recommendation is close to complete. It will be done when all Sheriff's Office asset managers are trained on the new system and the physical control requirements for higher-risk items and categories are linked back to the risk assessment, the inventory control system, or both. For example, while the inventory control manager and Property Management Unit asset manager know the requirements for specific types of high-risk items (such as firearms), those

requirements should demonstrably be referenced by risk category. By doing so, the Sheriff's Office will "close the loop" to ensure that safeguards are appropriate for the risk of the items in its inventory. See Recommendation 8, below.

Recommendation 4   PROGRESS ⋯

The King County Sheriff's Office should update its procurement policies to align purchasing requirements and processes with the risk level of the item.

STATUS UPDATE: The Sheriff's Office has traditionally used a memo process for requesting approval to purchase equipment. As explained in the audit (May 2019), this "one size fits all" process creates challenges in that it requires the same level of review, regardless of the risk or expense of the material requested. During the last audit follow-up (August 2021), the Sheriff's Office shared a draft procurement workflow based on risk category and intended to digitize the memo process through PowerDMS. Unfortunately, the PowerDMS approach proved unworkable, but the Sheriff's Office was able to move from paper forms to an electronic review process. It also expanded the authority for captains to approve property purchases without additional review. The Sheriff's Office chief financial officer noted that the risk assessment matrix (Recommendation 2) will be included as part of the training for procurement staff in 2023.

WHAT REMAINS: As stated in the last audit follow-up (August 2021), the Sheriff's Office should implement a procurement approval workflow that incorporates the elements in the risk assessment. Although digitization facilitates the review and approval process, the key point of this recommendation is to provide a level of review appropriate to an item's risk. This may be accomplished through formal adoption and training on the risk assessment, with parallel approaches simplifying review for low-cost or low-risk items. See Recommendation 5, below.

Recommendation 5   PROGRESS ⋯

The King County Sheriff's Office should improve guidance for staff making purchasing requests, including the specification of what information should be included in purchasing memos.

STATUS UPDATE: During the last audit follow-up (August 2021), Sheriff's Office staff reported they planned to address this recommendation as part of a PowerDMS digitization process, such that specific requirements for requests are based on the item's risk category, and with reviews and approvals based on the updated risk assessment matrix. However, this approach did not work; Sheriff's Office staff reviewed procurement systems used by other county agencies, but did not find one that sufficiently incorporated the approval process with procurement tracking. Sheriff's Office staff plans to evaluate options after training on the risk assessment matrix (Recommendation 4). This could include changes to the current process over the next year, for later incorporation in procurement system updates in future years.

WHAT REMAINS: To complete this recommendation, as with Recommendation 4, above, the Sheriff's Office should implement the approval process described in the risk assessment matrix purchasing workflow. As explained in the last audit follow-up (August 2021), building out the steps

in the approval process described in the workflow, by risk category, would address this recommendation. Again, as with Recommendation 4, implementing this recommendation does not depend on a new information technology approval process. Tailoring the requirements for purchasing memos to the level of risk would aid in simplifying the process for low-risk items.

Recommendation 6   PROGRESS ⋯

To reduce legal liability and ensure all high-risk items have appropriate controls, the King County Sheriff's Office should develop and document agreements with its contract city partners making the purchasing authority and operational approval for high-risk items explicit.

STATUS UPDATE: The Sheriff's Office made no apparent progress on this recommendation since the last audit follow-up. During the last audit follow-up (August 2021), the Sheriff's Office suggested it would use a memorandum of understanding approach to address this recommendation. In response to this follow-up, staff reported that, as part of the creation of the Sheriff's Office's new Community Programs and Services Division, the previously responsible workgroup was being reorganized. Sheriff's Office leaders noted that a key goal for the division was better management of programs and services and to include coordination with contract partners—explaining that completing this recommendation and Recommendation 9, below, requires alignment between the new division and the Technical Services Division staff responsible for inventory practices. As part of the new division's engagement with contract partners in 2023, it will create a process for approving the use of and documenting contract city-owned assets that meets the needs of partners and Technical Services staff. Given these plans, the status of this recommendation remains at "progress," but significant effort in 2023 is needed to avoid regression to "open" at the next follow-up.

WHAT REMAINS: To complete this recommendation, the Sheriff's Office needs to develop and document an agreement process for reviewing and approving the use of equipment owned by contract partners, and develop a schedule for completing these agreements with all contract partners.

Recommendation 7   PROGRESS ⋯

The King County Sheriff's Office should use financial data to check the accuracy and completeness of the KCSO high-risk inventory.

STATUS UPDATE: In October 2022, the Sheriff's Office used its newly implemented Quartermaster asset management system to conduct its annual inventory. As part of that work, Sheriff's Office staff reviewed Power BI financial data with the current inventory, including financial, vendor, and warranty information, and is updating the inventory input template based on that review. The updated template will allow for queries comparing purchase and inventory information between the two systems as part of the inventory process.

WHAT REMAINS: Based on the work to date, this recommendation is close to complete. To complete this recommendation, Sheriff's Office staff should finish the updated inventory input

template and document procedures for comparing financial and inventory data to ensure that purchased items are added to the inventory database. The procedures should specify the staff responsible for each part of the process (e.g., procurement staff and the inventory control manager).

Recommendation 8 — DONE ✓

The King County Sheriff's Office should develop and implement policies to conduct comprehensive physical inventories of the high-risk items identified in the risk assessment in Recommendation 1.

STATUS UPDATE: As explained in Recommendation 2, above, the Sheriff's Office completed updates to the GOM that require division commanders, supervisors, and department members to perform and/or review annual physical equipment inventories, and also require them to update their status in the asset management database. These inventories are ongoing; the Sheriff's Office completed its first annual inventory in 2021 and is currently conducting its inventory for 2022. It has a rolling schedule for ongoing inventories of high-risk assets, currently through 2023. Through these assignments and the specific roles for asset managers also described in the GOM section, Sheriff's Office policy directs that high-risk items are inventoried semi-annually and that those inventories are reviewed and approved by the relevant command staff. It also allows for future internal audits and checks should issues or concerns arise.

IMPACT: By requiring and conducting annual physical equipment inventories and defining the responsibilities for conducting them, the Sheriff's Office helps ensure that its equipment is safely stored, not missing due to loss or theft, and will be ready when needed. Conducting physical inventories is a fundamental property management best practice, and the approach used by the Sheriff's Office appropriately balances internal oversight with those directly responsible for the assets.

Recommendation 9 — OPEN ⊙

The King County Sheriff's Office should develop and implement policies to track contract city-owned high-risk items used by the Sheriff's Office in its comprehensive physical inventories.

STATUS UPDATE: The Sheriff's Office made no apparent progress on this recommendation since the last audit follow-up (see Recommendation 6, above). Once the Sheriff's Office has approved contract-owned equipment for use, it then bears the responsibility for that equipment. Logically, the simplest approach could be to manage that equipment as if it belonged to the Sheriff's Office, consistent with the inventory controls and practices in the GOM and the audit recommendations. Sheriff's Office staff noted that individual asset managers also responsible for contract partner-owned equipment have requested these items be included in Quartermaster.

As explained in Recommendation 6, above, the Sheriff's Office's new division of Community Programs and Services will lead in creating a process for documenting community-partner owned items, allowing implementation of policy that addresses the need for accurate physical inventories

for these items. Before the completion of the formal process, Sheriff's Office staff could continue to take steps to implement the tracking and inventorying of equipment owned by others, such as asset tag coordination and adding items to Quartermaster.

WHAT REMAINS: To complete this recommendation, the Sheriff's Office needs to develop a process for inventorying equipment owned by contract partners and used by the Sheriff's Office. As noted in the last audit follow-up (August 2021), items owned by contract partners could be listed by the risk categories in the equipment risk matrix and inventoried consistent with the Sheriff's Office's inventory requirements.

Recommendation 10   PROGRESS ⋯

The King County Sheriff's Office should define the body of work required for the management of high-risk items, assess the capacity of existing staff to more proactively manage those items, and request an appropriate level of new resources if needed.

STATUS UPDATE: During this audit follow-up, Sheriff's Office staff shared information on the processes and responsibilities described in the updated GOM section and the implementation of inventory practices and the asset management database. The inventory control manager internally requested two additional staff positions to proactively manage the requirements in property control and procurement; doing so would focus the property management work with dedicated staff (as an alternative to the roles assigned to unit leaders and command staff in the GOM). The positions were approved by the Sheriff, but not included in the 2023-2024 biennial budget. Recognizing that current Sheriff's Office staffing is already below budgeted levels, establishing these positions could be challenging.

WHAT REMAINS: To complete this recommendation, the Sheriff's Office should identify the bodies of work for these positions relative to the current workload for inventory management across the Sheriff's Office and their corresponding effect on the accuracy of the Sheriff's Office equipment inventory.

Recommendation 11   PROGRESS ⋯

The King County Sheriff's Office should develop and implement procedures to use inventory data to inform decisions on future purchases and budget needs.

STATUS UPDATE: See Recommendation 7, above. Correlating Power BI financial data with the current inventory, including financial, vendor, and warranty information, will allow for improved forecasting of pending equipment needs and costs. Sheriff's Office staff referenced ballistic vests as an example. The GOM requires department members to not wear any ballistic vest that exceeds the warranty period, and Quartermaster now includes the warranty dates for each vest—and the Property Management Unit is required to order replacements six months before they expire. From this, Sheriff's Office staff can then forecast the number of new vests needed within an upcoming period and account for their cost as part of budgeting cycles.

WHAT REMAINS: To complete this recommendation, Sheriff's Office staff should document processes for using Quartermaster inventory data to inform future needs. For example, Sheriff's

Office staff could annually review a report of all pending warranty expirations to estimate future costs.

Justin Anderson conducted this review. If you have any questions or would like more information, please contact the King County Auditor's Office at KCAO@KingCounty.gov or 206-477-1033.