



KING COUNTY AUDITOR'S OFFICE




AUGUST 2, 2021

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

The King County Sheriff's Office accomplished a significant milestone in carrying out the audit recommendations, by selecting an inventory manager. As explained in our August 2020 audit follow-up, hiring an inventory manager was a critical first step in following through on the audit's recommendations, as the position is responsible for planning and executing significant portions of the King County Sheriff's Office's (KCSO) inventory practices. KCSO hired the inventory manager in February 2021, and they have already made initial progress toward implementing some audit recommendations: completing one recommendation and advancing another from open to progress.

KCSO should build on the equipment risk assessment and new IT system capabilities as it works to implement the remaining audit recommendations. KCSO completed its initial risk matrix, categorizing asset types by level of risk and identifying initial purchase, management, and disposal requirements for them. The risk matrix will act as the source criteria for completing most of the specific activities within the remaining audit recommendations—implementing the specific inventory management practices for each risk category, based on the item type. A major component of this work includes integrating the categories and related requirements into KCSO's new collectiveQuartermaster (Quartermaster) inventory management software.

Of the eleven audit recommendations:

	1 DONE		7 PROGRESS		3 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

DONE



The King County Sheriff's Office should conduct and document a risk assessment which defines high-risk equipment and identifies risks specific to those items.

STATUS UPDATE: KCSO hired its new inventory manager in February 2021. The inventory manager has since developed a risk matrix that groups equipment into risk categories. The matrix includes initial requirements for purchasing items based on the assigned risk category; these categories are then assigned to each item in the Quartermaster asset management system.

IMPACT: By completing the first risk assessment, KCSO has the 'jumping-off point' for improved asset management practices—both in procurement and in physical inventory management. Completing this recommendation will lay the groundwork for KCSO to develop specific procedures for items in each risk category, as well as connecting those procedures, through each category, to the item in the Quartermaster system. This step makes possible the improved safety and reliability of KCSO's inventory in the remaining audit recommendations.

Recommendation 2

PROGRESS



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

STATUS UPDATE: KCSO has developed language for the general orders manual (GOM) designating responsibility for ongoing risk assessments to the inventory manager. Future risk assessments will follow the initial work to establish inventory management practices based on the current risk assessment.

WHAT REMAINS: To complete this recommendation, KCSO, through the inventory manager, should develop guidance regarding the timing of future risk assessments; this should be done following the completion of the other recommendations, below, assessing and implementing controls based on the asset risk categories.

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: As part of the initial risk assessment (Recommendation 1), each of the risk categories has the current requirements for purchasing, reporting lost, stolen, or missing items, and disposing items. As the Quartermaster system is implemented, this will include linking items to their risk categories in the system. The inventory manager is also assessing the adequacy of each individual asset manager's processes as part of the department-wide asset inventory (in conjunction with the Quartermaster implementation).

WHAT REMAINS: To complete this recommendation, KCSO should assess internal controls for each asset risk category for each asset manager, and implement those controls referencing the risk assessment. For example, controls should be consistent across functions for similar items used by multiple functions.

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: In 2020, KCSO started developing pilot elements of a purchase-card program, and the 2021 risk matrix includes a planned workflow for procuring items based on the risk category of the item. The workflow, when implemented, will move the process of requesting, approving, and purchasing items entirely online, via Quartermaster, digital memo in PowerDMS, or both.

WHAT REMAINS: To complete this recommendation, KCSO should build out each step in the approval process envisioned in the purchase workflow—for example, completing the purchasing memos for each category.

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: The risk-based procurement process (described in Recommendation 4) will include automatic guidance for staff based on the risk categories for the item; staff will select the appropriate digital memo based on the item's risk category.

WHAT REMAINS: Consistent with Recommendation 4, above, KCSO should build out each step in the approval process envisioned in the purchase workflow—for example, completing the purchasing memos for each category. The selection process for each category should be clear enough that staff requesting an item should be directed to the appropriate form and level of review through the workflow.

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: At the time of the last follow-up (August 2020) KCSO had raised this issue in with its contract partners, discussing the need to identify and approve KCSO use of contract city-owned equipment. Since then, KCSO has started a process transferring contract city-owned rifles to KCSO

as KCSO-owned property and including their cost within the contract cost model. KCSO management also shared a concept for a memorandum of understanding (MOU) that contract city chiefs would use with contract cities, identifying the contract-owned equipment used by KCSO and documenting KCSO's approval and any specific requirements on its use. Ideally this approach would not require modification of the underlying interlocal agreement contract structure and could be developed and completed with some contract partners during the next year.

WHAT REMAINS: To complete this recommendation, KCSO should document its process for identifying, reviewing, and approving use of equipment owned by contract cities, whether through an MOU, updated interlocal agreement, or other method. KCSO should also develop a schedule for implementing these agreements with all contract partners.

Recommendation 7

OPEN



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

STATUS UPDATE: KCSO has begun exploring how to accomplish this recommendation by using King County's web-based purchase reports to compare against the asset data in the Quartermaster system. The specific procedures will be developed after KCSO has completed the department-wide physical inventory presently underway.

WHAT REMAINS: To complete this recommendation, KCSO should document the procedures for comparing purchase data from the County's business intelligence (BI) reporting system with the asset inventory in the Quartermaster database, including the specific responsibilities for each part of the process.

Recommendation 8

PROGRESS



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: KCSO has proposed updates to the GOM that include requirements for asset managers across KCSO to perform annual physical inventories and provide up-to-date inventory of new and transferred assets. These inventories would follow the current comprehensive physical inventory and be tracked in Quartermaster and by the inventory manager to ensure compliance with the yearly requirement.

WHAT REMAINS: To complete this recommendation, KCSO should develop procedures for implementing the requirements described in the draft GOM section; the procedures should be consistent with the assessments and controls described in recommendations 2 and 3, above.

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: Implementation of this recommendation relates to Recommendation 6, above; tracking contract city-owned equipment depends on an accurate understanding of what the equipment is and that it is approved by KCSO leadership for KCSO use. As explained in the audit, contract city-owned equipment includes firearms, radar guns, and specialty vehicles. Bringing that equipment—such as rifles—'in-house' is one method of addressing this requirement. For other city-owned equipment, the agreements used in Recommendation 6 should guide the inventory control manager in determining the process to account for those items within KCSO's control.

WHAT REMAINS: To complete this recommendation, the inventory control manager should consider how to track contract cities-owned items consistent with the procedures in recommendations 6 and 8, above. For example, city-owned items identified in an agreement between KCSO and a contract city could be listed by the risk categories in the equipment risk matrix, with high-risk items included in KCSO's physical inventory process.

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: KCSO took a significant step toward implementing this recommendation when it hired an inventory control manager in February 2021. As part of their work, the inventory control manager is developing standard operating procedures (SOPs) that will address each of the aspects of their work relative to the risk assessment process, controls for specific risk categories and asset types, and overall management of the KCSO inventory as a whole. The inventory manager is currently logging these elements as the initial work is completed; along with the SOPs, the inventory manager will propose further edits to the GOM, as necessary.

WHAT REMAINS: To complete this recommendation, KCSO should ensure that the body of work for the inventory control manager in the pending inventory management SOP and the responsibilities for the role reflect the appropriate level of resources to the work, as documented.

Recommendation 11

OPEN



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: This recommendation is a corollary of Recommendation 7, above, in that aligning budget information with the inventory data should aid KCSO in both ensuring the

accuracy of its asset inventory, and in using the inventory to better inform budgeting decisions. KCSO reported that it is exploring potential options on how to accomplish this.

WHAT REMAINS: To complete this recommendation, KCSO should build on the work in Recommendation 7, above, to determine the procedures and responsibilities to allow for forecasting of asset replacement and maintenance needs based on inventory data.

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.