



## KING COUNTY AUDITOR'S OFFICE

MAY 28, 2019

# Sheriff Equipment: Insufficient Safeguards to Protect High-Risk Items from Theft, Loss, and Misuse

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### Executive Summary

The King County Sheriff's Office (KCSO) has some safeguards in place, but does not have a coordinated, proactive approach to protecting its equipment. This may be putting the County, the public, and officers at risk. Limited staffing and gaps in safeguards mean that KCSO's equipment is not fully accounted for. We make recommendations to KCSO to implement safeguards to manage the legal and financial risks of high-risk equipment and help protect officer and public safety.



**King County**

# Sheriff Equipment: Insufficient Safeguards to Protect High-Risk Items from Theft, Loss, and Misuse

## REPORT HIGHLIGHTS

### What We Found

The King County Sheriff's Office (KCSO) does not have a coordinated, proactive approach to safeguarding its equipment, which may be putting the County, the public, and officers at risk. KCSO does have safeguards for some key items, like ammunition, and some units we interviewed have taken steps to safeguard high-risk equipment within their unit. However, KCSO's approach leaves gaps that could allow items, like weapons, to be lost, stolen, or not maintained.

KCSO has not fully assessed the risks of its equipment and has not developed safeguards based on such an assessment. For example, KCSO uses the same purchasing process for nearly all equipment, which is inefficient and does not meet the operational needs of some units. KCSO also lacks a comprehensive list of what equipment it has and does not conduct regular physical inventories.

Unlike other county agencies, KCSO lacks dedicated staff to focus exclusively on asset management and ensure that inventories are complete and items are properly safeguarded. KCSO management told us that several rounds of budget cuts eliminated positions that otherwise may have taken these duties. KCSO has added asset management duties on to several employees' regular duties. This approach may be increasing the risk of losing some high-risk items.

### What We Recommend

We make recommendations for KCSO to create an organized approach to equipment management, including conducting a risk assessment, right-sizing purchase controls to match item risk and operational need, and improving data and inventory practices. We also recommend that KCSO base any future requests for new asset management resources on a thorough assessment of its current needs and available capacity. These recommendations will help KCSO manage the legal and financial risks of high-risk equipment and help protect officer and public safety.

### Why This Audit Is Important

KCSO uses equipment such as helicopters, bomb-detecting robots, firearms, night vision goggles, and explosives to conduct its work. In the 2017-2018 biennium, KCSO spent an estimated \$2.8 million on high-risk items. This equipment creates financial, legal, and safety risks for the County. For instance, a weapon that is lost or stolen and then misused in the community means people could be hurt or killed. A boat that breaks down due to lack of maintenance could jeopardize officer safety or prevent them from doing their work. Asset misappropriation is the most common type of fraud in government settings.

#### Example of high-risk equipment and supplies



Source: King County Auditor's Office

# Sheriff Equipment: Insufficient Safeguards to Protect High-Risk Items from Theft, Loss, and Misuse

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# Assessing Risk

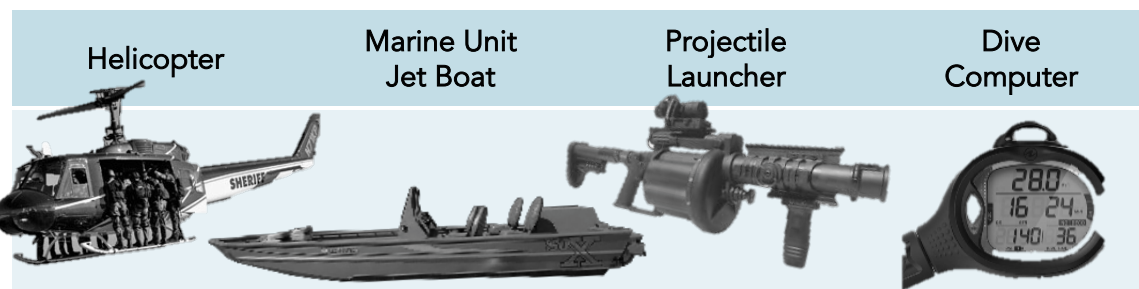
## SECTION SUMMARY

**The King County Sheriff's Office has not conducted a risk assessment to determine which equipment is high-risk, nor developed guidance on safeguards for those items, which means that some equipment is at risk of being lost or stolen.** A risk assessment is a critical first step in establishing adequate controls for items that pose a public safety risk, are susceptible to loss, or are necessary for police operations. High-risk items in the King County Sheriff's Office (KCSO) inventory include vehicles, weapons, and specialized tactical equipment. Some KCSO units have considered risk and put safeguards in place to protect items like these. KCSO's recent efforts to assess the risk of and safeguard such items at the organizational level have been limited to a subset of items in reaction to audit findings. Effectively identifying and managing the risks of these items helps avoid unnecessary cost and injury, but requires active participation by leadership and consistent approaches across the agency.

KCSO uses items that are inherently risky and require safeguards

**KCSO uses a wide range of specialty equipment that is inherently dangerous or at risk of being lost, stolen, or misused.** High-risk equipment used by KCSO officers includes helicopters, tactical robots, firearms, night vision goggles, and explosives. By their very nature, these items require safeguards in order to protect public safety and county resources. See Exhibit A, below, for examples of the types of equipment we defined as high-risk.<sup>1</sup>

EXHIBIT A: High-risk items KCSO owns and uses, include vehicles, weapons, and small high-dollar items like dive computers



Source: King County Auditor's Office

<sup>1</sup> See Appendix 1 for our full definition and more examples of high-risk equipment.

## A risk assessment is the basis for safeguards

**The first step in establishing adequate controls is a risk assessment.** As illustrated in Exhibit B, below, a risk assessment sets the stage for consistent, appropriate controls across all units and functions, throughout the lifecycle of the item. A risk assessment should define what items need to be controlled, what their risks are, and what safeguards need to be in place at each stage in order to ensure that the item is not lost, stolen, or misused. Conducting a risk assessment is also required under King County policy and recommended by the Washington State Auditor's Office. To be effective in establishing adequate controls, agencies should document and update their risk assessments on an ongoing basis. This means that assessments are not a singular event, but are instead done periodically to ensure that controls are working as designed and provide opportunities to identify and mitigate emerging risks.<sup>2</sup>

**EXHIBIT B: A risk assessment helps determine the safeguards needed throughout an item's lifecycle**

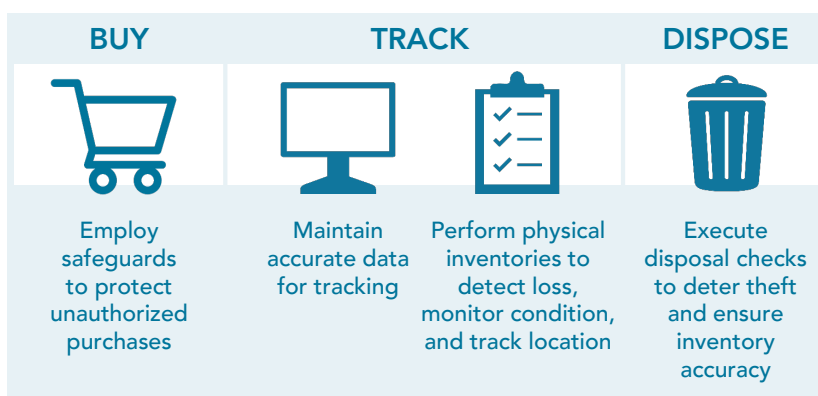
### ALL ITEMS



Use data to plan for budgeting

### HIGH-RISK ITEMS\*

IDENTIFY & IMPLEMENT SAFEGUARDS FOR ALL PHASES OF INVENTORY MANAGEMENT



\*Low-risk items need fewer controls.

Source: King County Auditor's Office

<sup>2</sup> See Appendix 2 for an example of a risk assessment and management framework.

## KCSO has not conducted a risk assessment

**KCSO has not conducted a comprehensive risk assessment, which means there could still be risky items that lack safeguards, while the safeguards that do exist may not be appropriate for the risks.** KCSO is assessing risks for some items, but KCSO's risk assessment efforts have been narrowly-scoped, and may not include all high-risk items. For example, in 2018, responding to findings from the State Auditor's Office, KCSO created a definition for small and attractive items—such as radar guns and stop sticks—and collected some information from officers about what items had been issued to them by KCSO or contract cities.<sup>3</sup> While this was a positive step, we identified two important gaps in the assessment process:

1. KCSO did not document the specific risks associated with the items chosen
2. KCSO did not include small and attractive items assigned to units, like marine binoculars or explosives.

Identifying specific risks as part of a risk assessment is important because it allows the organization to take the next steps of assessing the adequacy of existing controls and mitigating any control gaps.

Small and attractive items are only one of several different types of items that KCSO officers use that present risks; others include expensive items, dangerous items, grant-funded items, and items received from the federal surplus program (see Appendix 1 for additional information). As can be seen in the examples in Exhibit C, KCSO has done some work to identify risky items in these categories, but similar to its work on small and attractive items, has not done so as part of a comprehensive assessment across the agency.

KCSO acknowledged that its approach has been reactive rather than proactive, largely because of a lack of staff dedicated to asset management. Overall, KCSO's recent assessment of risk was not comprehensive, which means there could be unaddressed gaps in control allowing high-risk items to be lost, stolen, or misused.

<sup>3</sup> Small and attractive items are defined as those purchased for an amount less than the capital threshold (\$5,000 in King County), but that still have legal, financial, or safety risks as identified by the organization. KCSO's 2018 definition included firearms, ballistic vests, and Tasers, among other items.

## EXHIBIT C: KCSO has not identified specific risks and whether current safeguards are sufficient

Examples of Potential KCSO High-Risk Items*	Risk Assessment Efforts	Risk Assessment Gaps
<b>Expensive items</b> A tangible asset with a purchase price of \$5,000 or more that presents financial risk to the County if lost, stolen, or damaged.	King County defined the \$5,000 threshold in county policy FES_10-1-2 and KCSO works with the Finance and Business Operations Division and Fleet Administration to track these items.	The County tracks these items primarily for financial reporting. KCSO still needs to assess the risks of these items for putting its own appropriate safeguards in place.
<b>Dangerous items</b> Items purchased at any price that present a safety risk to the public and a legal risk to the County if lost, stolen, or misused.	KCSO identified some risks for items such as firearms, ammunition, and Tasers; KCSO identified these risks over time when problems or issues arose.  Some units report informally assessing risks of their items.	KCSO has other items, such as explosives, that may present safety risks and should be included as part of an overall risk assessment.
<b>Small and attractive items</b> Items purchased for under \$5,000 that could also be susceptible to loss, theft, or misuse. Items can present legal, financial, and/or safety risks.	KCSO conducted a risk assessment of some of these items in 2018.  Some units report informally assessing risks of their items.	KCSO did not document the specific risks identified for these items and did not include items assigned to units in its assessment.

\*See Appendix 1 for the Auditor's Office definition of high-risk items and more examples of potential high-risk items used by KCSO.

Source: King County Auditor's Office analysis of potential high-risk items and KCSO risk assessment efforts

Finally, KCSO lacks policies and procedures for regularly reassessing the risks of its equipment. Law enforcement equipment is constantly evolving. Without ensuring that its risk assessment practices occur regularly, KCSO could miss identifying new items that require safeguards in order to reduce risks.

## Recommendation 1

**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.**



## Recommendation 2

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

KCSO has some controls in place, but lacks consistency

**KCSO units have some controls in place, but KCSO has not assessed the adequacy of or developed guidance for those controls across the agency.** During our audit, we observed multiple examples of KCSO units using controls to protect high-risk assets, including lock boxes, secured entries, property identification tags, and usage logs. These safeguards help limit access and provide additional security to equipment that may be at an elevated risk of being lost or stolen, or could pose a public safety hazard. We interviewed staff from five KCSO units, and four of the units described efforts they have in place to track and control items they have determined to be high-risk. See Exhibit D, below, for some examples of controls that we saw during our field visits.

### EXHIBIT D: KCSO units use controls to protect assets from loss

Controlled entry point to a storage facility



Locked entrance gate at marina



Locked key box and check-in log for high-risk equipment storage area



Locking equipment case in vehicle



Secure boxes for detonation equipment



ID tag on expensive specialty equipment

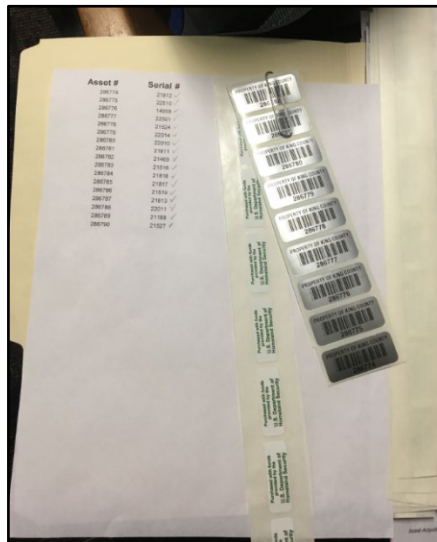


Source: King County Auditor's Office



**Staff are implementing safeguards inconsistently, which means KCSO has not sufficiently addressed the risk of theft or loss for many of its items.** For example, one basic control for protecting equipment is to mark it with a county identification tag, which helps deter theft and make sure the item comes back to the County if lost. We observed units developing workarounds because the tags were either not sticking to the equipment or had a potentially dangerous impact on operations. For example, since county tags are made of a reflective material and could give away the position of the officer wearing them during an operation, units decided not to attach them to night vision goggles, and instead put the tag in a paper file (see Exhibit E, below). This paper-filing effectively negates the control; there is no marking on the item to indicate that the night vision goggles belong to the County. When existing controls present a potential safety risk to officers, if the loss of the item is also a risk then KCSO should develop alternate controls that protect both officer safety and the item. This is just one example of our larger point that without assessing current controls based on a risk assessment, and providing clear agencywide guidance that includes meaningful alternatives to controls that might affect operational safety, some items will continue to be at greater risk of theft or loss.

**EXHIBIT E: Asset tags are kept in a folder instead of being attached to night vision goggles and other sensitive equipment**



Source: King County Auditor's Office

### Recommendation 3

**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.**



# Purchasing Controls

## SECTION SUMMARY

**KCSO has a lengthy process for buying equipment, which means that officers may not have the items they need when they require them most.** Stemming from the lack of a risk assessment, described in the previous section, KCSO's method for deciding what to buy is "one size fits all." Ideally, purchasing processes should be set up so that high-risk items receive the most scrutiny, and routine items face less. However, the default process at KCSO is that management vets all items through a lengthy, manual, and costly review, which can delay or prevent officers from getting items in emergency situations. In addition, there are no purchasing safeguards for items acquired by contract cities, so KCSO may not always thoroughly review these items before contract cities issue them to deputies in the field—and those deputies may not be trained to safely use the equipment.

## Requiring purchase memos for all equipment is inefficient and does not meet operational needs

**KCSO's lengthy review process means that KCSO officers may not always have the equipment they need when they need it most.** KCSO requires staff to submit purchase memos for nearly all equipment, regardless of the risk level of the item. The KCSO chain of command reviews these memos and, if a purchase is approved, managers submit memos to the purchasing unit's chief financial officer. KCSO staff stated this process can take days or months because the physical form must move from manager to manager, often across multiple KCSO locations. While this level of control could be appropriate for some items, in other cases it appears that the process could cost more in staff time than items are worth. Officers reported submitting purchase memos for nearly all equipment purchases, including things as small as carabiners and boat flags, as well as items that expire and need to have regular replacement, like enhanced bulletproof vest plates. This has led to officers circumventing the process when they have immediate operational needs. For example, officers with pressing operational needs reported buying items on personal credit or county store credit and then submitting the memo after the fact. This solves the problem of need, but KCSO policy prohibits incurring debt on behalf of the County without prior authorization.<sup>4</sup>

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<sup>4</sup>According to the KCSO General Orders Manual (March 2018): "Members shall not purchase anything chargeable against the Sheriff's Office or King County except with the knowledge and consent of proper authority."

The purchase memo process is a historic practice and KCSO does not have formal alternatives. For example, under the current policies and procedures there is no alternative for officers to purchase routine items like carabiners or flashlights, or items immediately necessary for operations, like a ladder<sup>5</sup>. This puts officers in a difficult position—either they can go without an item while the memo process takes place, or go against policy and buy it anyway (in the hope that KCSO will reimburse them or pay the store account which they charged). According to KCSO budget and accounting staff, KCSO developed the memo process many years ago before electronic records were commonplace and has continued the process largely because it makes accounting easier. They explained that having a centralized purchasing process helps ensure purchases pull from the correct cost centers, and that a decentralized purchasing system means that financial staff would need more time to review the purchases made by others. Nevertheless, several of the deputies and supervisors we spoke with expressed frustration with the memo system, saying it was too long, prone to error (e.g., paper memos get lost), and limits their ability to safely do police work.

#### Other county agencies use risk-based practices

**Other King County agencies delegate purchasing power and have practices to help prevent overspending or misuse.** We interviewed other King County agencies and found that they have been able to balance the risks associated with delegated purchasing power (like spending too much, maintaining accurate accounting records, or buying the wrong things) with operational needs of their staff. They also described how they were able to train staff to reduce the administrative burden on their department's central finance staff. For example, the Department of Public Health allows some staff to use purchase cards and has developed internal training for its purchase card approvers. Public Health's finance unit sets limits on purchasing power and conducts spot checks on records to ensure that authorized employees are using purchase cards appropriately. Giving certain staff the ability to buy things, along with other controls, helps balance the operational need for items with an appropriate level of oversight.

### Recommendation 4

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

<sup>5</sup> Units we interviewed described one case in which KCSO continues to allow decentralized purchasing—the Marine Unit purchases boat fuel using a designated purchase card.

## Information requirements for memos are not clear

**KCSO does not provide guidance on the type of information leadership expects to see included in purchase memos, leading to inefficient use of time and resulting in officer frustration and inconsistent decisions.** We conducted a review of selected memos for high-risk items purchased in 2017 and 2018, and found a wide range of detail submitted to justify proposed purchases. Some purchase memos are very detailed, while others are not. For example, a proposal for sniper rifles included three alternative purchasing options and described significant research with vendors, while proposals for blasting machines and a projectile launcher were less than half of a page each and did not describe contact with multiple potential suppliers (see Exhibit F, below). Despite the variation of information included in the memos, KCSO management approved all of these purchase requests. Without guidance on the amount of detail, or the criteria reviewers are using to make purchasing decisions, submitters are left to guess what is expected and may spend more time writing memos than needed or less time than should be required for certain high-risk items.

### EXHIBIT F: Memos contain differing degrees of descriptive detail



Source: King County Auditor's Office illustration of items and green memos

## Recommendation 5

**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.**

KCSO does not have sufficient oversight over contract city equipment purchases

**KCSO does not have sufficient oversight of high-risk equipment purchased by contract cities, creating legal, financial, and safety risks.** KCSO has contracts to provide law enforcement services with some King County cities, and some of these cities have purchased high-risk equipment for KCSO officers assigned to work there. Equipment purchased by these cities for use by KCSO officers includes items like rifles, radar guns, and specialty vehicles. However, as of March 2019, the contracts between KCSO and its contract cities do not contain information about whether this is allowed. Instead, the contract terms provide that KCSO furnishes the equipment necessary for law enforcement services, and do not specifically address these types of high-risk city-owned items. This is a problem because all equipment used by KCSO employees carries the same potential risks, regardless of ownership. For example, the risk to the community presented by a lost weapon is the same regardless of whether it is owned by KCSO or a contract city. This means that King County could potentially be found financially responsible for the misuse of that weapon if it were lost by KCSO, even if the item is owned by a contract city. In turn, the risk assessment and implementation of safeguards (addressed in the first section, "Assessing Risk", and in Recommendations 1 through 3) should also include high-risk city-owned items.

In addition, contract city-owned equipment raises questions about responsibility for operational risks and related costs. In the example above, if KCSO recovers the lost weapon, but it is irreparably damaged, the contracts do not specify which agency pays for its replacement. The absence of contract language addressing contract city equipment purchases also means KCSO may not be able to review or reject items that could present risks for officers because they might not have appropriate training to operate them. Given that these contracts are structured as interlocal agreements (ILA) that automatically renew, KCSO may prefer to address these issues through a memorandum, annual exhibit, or other means rather than renegotiating the ILA. Regardless, without a clear process addressing the purchase of high-risk items by contract cities, these risks will remain for both KCSO and its contract city partners.

## Recommendation 6

**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.**



# Inventory Management

## SECTION SUMMARY

**KCSO is implementing a new inventory data system for its equipment, but lacks dedicated staff, data checks, and physical inventories, which means the new system may not actually detect when items are missing or non-functioning.** In the second quarter of 2019, KCSO will be implementing a new inventory data system for its equipment, helping to consolidate dozens of equipment lists, which will provide better data for tracking high-risk items and preventing loss. However, KCSO does not have staff dedicated to ensuring the data is accurate and used for conducting physical inventories. KCSO also does not use purchase data as a check to ensure its inventory is accurate and does not track equipment purchased by contract cities. If these deficiencies remain unaddressed, the data in the new system will likely remain incorrect and incomplete, and high-risk equipment will continue to be at risk of loss or damage. Lastly, KCSO is not using its inventory data to plan for future budget needs.

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## KCSO does not check its equipment list against purchase data

**KCSO's new data system will help it keep a better list of its equipment, but KCSO does not check its equipment list against purchase data, which means a high-risk item could still go missing without KCSO knowing.** Currently, KCSO has dozens of equipment lists created by various staff and units for subsets of equipment, but does not have an accurate, comprehensive list of all of KCSO's high-risk items. KCSO is purchasing a new data system to consolidate and replace these lists, helping to create a list that KCSO can use to prevent loss and track maintenance needs. The new system, however, is missing a key implementation element that would help keep the database accurate—a link to purchasing data. Purchasing data provides a record of what should be in the inventory, and according to the State Auditor's Office, matching purchasing data with inventory helps ensure equipment records are accurate and can help detect loss or theft. Without this check or some other recurring process for comparison, someone could purchase a high-risk item, not add it to the data system, and then keep the item for personal use without KCSO knowing.

Recognizing the importance of purchasing data for maintaining accurate inventory lists, other county departments have come up with simple solutions. For example, Parks and Recreation Division finance staff uses purchasing data to generate a list of items that should be in the inventory master list, and sends it to the division inventory manager on a regular basis. The inventory manager then checks the list of purchases against the list of items in the inventory to make sure staff entered all new items in the system. According to KCSO finance, adding a field in the financial records for staff to flag items for such a list is possible and would not require significant effort, but would require KCSO to conduct a risk assessment and identify the types of high-risk equipment that it will track.



## Recommendation 7

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

Scattered inventory practices do not sufficiently address risk

**KCSO has some inventory practices in place, but does not conduct a regular, comprehensive inventory that includes a physical check on controllable items.**

Four out of the five KCSO units we interviewed do their own inventories periodically, which helps those units prevent theft or loss. The units reported these inventories also help them make sure officers have the equipment they need to do their work, because physical inventories provide an opportunity to make sure the equipment is safe and functional (see case study in Exhibit G, below, for an example). In addition, as of March 2019, KCSO is in the process of completing an inventory of small and attractive assets, which focuses on items issued to individual officers and does not involve physical checks on the condition or existence of each item.<sup>6</sup> While this inventory is a step in the right direction, KCSO's lack of a comprehensive inventory—i.e., an inventory that includes all high-risk items and involves in-person physical checks on the condition and ownership of all or a sample of all items—means that some high-risk items could still be lost, stolen, or become unsafe because of disrepair. Executive policy requires regular physical inventories and oversight organizations, like the State Auditor's Office and Government Accountability Office, recommend regular physical inventories as a key element of an equipment management system.<sup>7</sup>

<sup>6</sup> Small and attractive assets are items that are tempting to steal, but are below the threshold of \$5,000, like cameras and computers.

<sup>7</sup> King County Administrative Policies and Procedures FES-10-1-2 (AEP)

**EXHIBIT G: Case study**

In December 2018, we observed part of a physical inventory process that TAC-30 conducts annually of the equipment used by its officers and stored in its facility and tactical vehicles. Steps in the process include:

- The officer who maintains the master inventory lists sends each officer a list of the equipment assigned to them.
- Each officer fills out and returns the forms, indicating whether they have the item and whether the item needs maintenance or repair.
- Sergeants physically spot check items from the inventory list with the officer who filled it out.

Additionally, the unit goes through the lists of equipment assigned to the facility and vehicles and does physical spot checks of that equipment. The unit also has processes in place to perform equipment checks before and after operational missions. Staff noted these processes help ensure officers have what equipment they need and catches broken or missing equipment, helping to increase officer safety and allowing the unit to do its work.

**TAC-30 conducts regular physical inventories of its equipment**



Source: King County Auditor's Office

## Recommendation 8

**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.**

**KCSO does not track equipment purchased by contract cities**

**KCSO is not tracking items purchased by contract cities, which prevents KCSO from managing the County's liability if one of those items is lost, stolen, or misused.** As mentioned earlier in the report, some contract cities purchase high-risk equipment for KCSO officers, including rifles, radar guns, and specialty vehicles. Both contract cities and their assigned contract chiefs reported various methods for tracking these items. However, KCSO does not track or inventory these items at the agency level, as KCSO has historically assumed this to be the responsibility of the individual contract cities. As explained in the previous section, there are still legal and financial risks for KCSO and the County if one of these high-risk items is stolen, lost, or misused, as well as safety risks for KCSO officers if high-risk items are not working properly. Without tracking and physically checking these items, KCSO is not addressing these risks.

## Recommendation 9

**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.**

KCSO lacks positions dedicated to ensuring accurate data

**No one at KCSO has complete authority to ensure KCSO's equipment list is accurate and to conduct physical inventories, which leads to unreliable data and risk that something could go missing.** KCSO's asset management responsibilities are scattered among the staff members who control the various databases around the agency, and most of them are doing asset tracking part time. Some of the people whom we spoke with who have these roles reported that they do not have enough capacity to do asset tracking properly, so their efforts may not be mitigating the risks of these items being lost, stolen, or misused. Leadership and staff we interviewed stated that asset tracking roles have been added to people's existing duties as needed, rather than as part of an organized approach to mitigating risk. KCSO management also stated that budget cuts since the mid-2000s resulted in the elimination of positions that would otherwise be able to do this kind of work. We interviewed other agencies with equipment tracking needs and found that all have staff dedicated to asset tracking who help implement safeguards over high-risk equipment.<sup>8</sup> Having dedicated staff is important given the size of KCSO, its geographic dispersion, and the inherent risks of owning and using police equipment.

## Recommendation 10

**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.**

<sup>8</sup> We interviewed the Department of Adult and Juvenile Detention, Parks and Recreation Division, King County Information Technology, and the Snohomish County Sheriff.

KCSO does not always plan for future purchase and maintenance costs

**KCSO is not using inventory data to help inform its plan for future purchases, which could lead to purchasing too much, too little, or not the right equipment.** KCSO does not use data about its equipment and purchasing history to help estimate future costs and inform budget decisions. Examples of the type of information that could inform budget decisions includes expiration dates for items like bulletproof vests and maintenance needs for specialty vehicles like boats. This means KCSO could be making suboptimal purchasing decisions, such as buying too much or too little of an item, and not being ready or able to plan for big expenditures. For example, the Marine Unit's primary Puget Sound response boat sat idle for at least two months because KCSO has no dedicated reserve for regular engine maintenance and was not ready to spend the money needed for repairs. Using inventory data also helps prevent over-purchasing routine items (like crime scene markers), and facilitates bulk purchasing, lowering costs. Planning for future equipment purchases can also help KCSO leadership make strategic changes to identify potential cost savings and align its equipment purchases to its law enforcement approach.

### Recommendation 11

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

### Conclusion

KCSO has developed some safeguards for its high-risk equipment in response to past problems like missing firearms and misuse of ammunition. However, KCSO has not developed an organized, proactive set of safeguards based on a comprehensive risk assessment. Conducting a risk assessment and implementing appropriate, proactive safeguards will help KCSO prevent the theft, loss, or misuse of all of its high-risk equipment and help ensure consistent and efficient safeguards across the organization. This will help reduce the safety, legal, and financial risks—to both the public and the County—of law enforcement equipment being misused in the community.



## Appendix 1: Definition of High-Risk Equipment

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### DEFINITION AND EXAMPLES OF KING COUNTY SHERIFF'S OFFICE HIGH-RISK EQUIPMENT

As noted in the report, the King County Sheriff's Office (KCSO) has not yet conducted an agencywide risk assessment to determine which equipment KCSO should consider high-risk. In order to have a working definition of high-risk assets for the audit, the audit team developed a definition and vetted that definition with KCSO management. To develop the definition, we reviewed government guidance and standards and other audits of high-risk assets. The team also interviewed staff from KCSO and Finance and Business Operations Division (FBOD), and we reviewed KCSO and FBOD databases to identify potential examples. Based on this work, we defined high-risk assets as items that require safeguards due to one or more of the following:

1. to ensure legal compliance
2. to protect public safety and avoid potential liability
3. to prevent theft or loss because of the item's size and/or value.

There are different types of high-risk assets. We identified five potential types used by KCSO, which we summarize in Exhibit 1, below, along with potential examples pulled from KCSO data. Note that the types are not exclusive and that an item may exist in multiple categories.



## EXHIBIT 1: KCSO manages multiple types of high-risk items

Type	Definition and Risks	Examples
Expensive items	Tangible assets with a purchase price of \$5,000 or more that present financial risk to the County if lost, stolen, or damaged. <sup>9</sup>	Metal detector Hazmat chemical identifier Bomb handling suit Helicopter Boat
Dangerous items	Items purchased at any price that present a safety risk to the public and a legal risk to the County if lost, stolen, or misused.	Firearms Tasers Ammunition Firearm suppressor
Small and attractive items	Items purchased for under \$5,000 that could also be: <ul style="list-style-type: none"> <li>• susceptible to loss, theft, or misuse</li> <li>• mobile/portable</li> <li>• easily replaced without raising suspicion.</li> </ul>	iPads Cameras Mobile printers Night vision goggles
Grant-funded items	Items purchased at any price using funds from grants with contractual requirements to account for the item. Loss, theft, or misuse of these items could present financial and legal risks to the County.	Helicopter Sector units
Items obtained through 1033 Program*	Some items acquired through the 1033 Program have specific tracking or disposal requirements and/or could also be considered dangerous or small and attractive.	Vehicles Firearms

\*The 1033 Program transfers excess military equipment to civilian law enforcement agencies. The program legally requires the US Department of Defense to make various items of equipment available to local law enforcement agencies.

Source: King County Auditor's Office analysis of government and professional standards and KCSO data.

<sup>9</sup> The \$5,000 threshold comes from King County Administrative Policies and Procedures FES-10-1-2 (AEP).

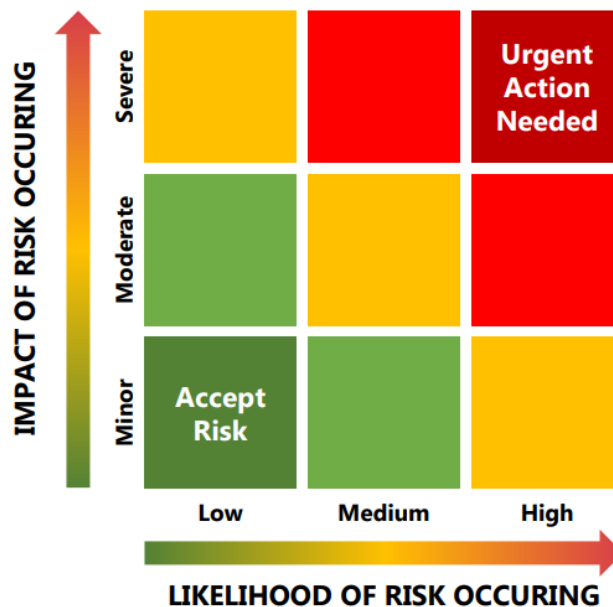
## Appendix 2: Asset Risk Management

### EXAMPLE OF A RISK MANAGEMENT FRAMEWORK

Managing the risks of items is a process that includes determining what needs to be protected and how to protect it. Standards from the International Organization for Standardization and a Department of Homeland Security framework we reviewed identify several steps in the process, including:

- **Defining and framing the context of an agency's risks.** This means considering what could happen—like a lawsuit, a fatal accident, or reputational harm—if safeguards are not in place or are not effective.
- **Analyzing and assessing the identified risks.** For assets, this means considering how likely a risk could become reality, and how big of an impact it would have on the King County Sheriff's Office, the County, or the public. The agency should take action for items based on the likelihood of the risks and their potential impact (see Exhibit 2, below).

EXHIBIT 2: A risk assessment looks at impact and likelihood of risks to determine which items should be safeguarded



Source: King County Auditor's Office example of a risk assessment matrix

Once the agency has identified which items need safeguards, the next steps in a risk management framework include developing and implementing safeguards, including:

- **Assessing the ability of safeguards to managing the risks.** This includes assessing the effectiveness of current safeguards and analyzing the costs and benefits of alternative safeguards.
- **Deciding among alternatives and implementing the chosen safeguard.**
- **Monitoring the implemented safeguards and evaluating for effectiveness.** This can help make improvements to the safeguard or identify the need for a different safeguard.

Risk management frameworks state that assessing risk and implementing safeguards are not a one-time event, but part of a recurring process that helps ensure safeguards are effective and new risks are identified as needed, so setting a recurring date for review is important. (See Exhibit 3, below, for an example from the Department of Homeland Security.)

EXHIBIT 3: The Department of Homeland Security risk management process



Source: Department of Homeland Security, Risk Management Fundamentals, 2011

# Executive Response

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KING COUNTY SHERIFF'S OFFICE  
516 Third Avenue, W-116  
Seattle, WA 98104

Mitzi G. Johanknecht  
Sheriff

May 15, 2019

KING COUNTY  
AUDITORS OFFICE  
MAY 15, 2019  
RECEIVED

King County Auditor's Office  
516 3<sup>rd</sup> Avenue, Room W-1033  
Seattle, WA 98104

RE: KCSO response to the final report on the KCSO High Risk Equipment Audit Report

Dear King County Auditor's Office,

Thank you for providing the final audit report for review by the King County Sheriff's Office (KCSO). We have found this audit process to be informative and productive. We appreciate your efforts to help us determine opportunities for improvement to safeguard and protect our high-risk items from theft, loss and misuse.

While I appreciate the audit team acknowledging that KCSO does have some safeguards in place, we also appreciate and agree with the findings as well as the recommendations of the audit team. We have begun to work on a strategy for securing the dedicated resources necessary to perform the work identified in the audit. Additionally, we have procured an electronic inventory system with the guidance and support of King County Central IT that will allow us to better track the assets we currently have as well as the assets we will purchase in the future.

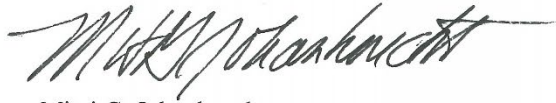
There are a few of the recommendations that we can begin to address immediately and without the need for additional resources. Specifically, the recommendations regarding our procurement policies to ensure they align with the risk level of the item. We can also immediately address policy around guidance for purchase requests. Our goal is to align with the best practices of King County Central Finance.

While we concur with all of the recommendations, budget considerations will determine how soon we will be able to address the recommendations. We have a plan to develop and submit for consideration additional funding in the next budget process to adequately implement the appropriate action items to better manage our inventory of all assets.



Again, we want to thank you for conducting this audit and assisting us to improve service to the residents of King County.

Sincerely,



Mitzi G. Johanknecht  
SHERIFF

Attachment

cc: Undersheriff Scott Somers  
Chief of Staff Liz Rocca  
Chief Patti Cole-Tindall  
Jason King, KCSO CFO

## Recommendation 1

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.

### Agency Response

Concurrence	<b>Concur</b>
Implementation date	TBD
Responsible agency	KCSO
Comment	We fully concur with this recommendation. Our ability to conduct a comprehensive risk assessment will require resources dedicated to this work. Our plan is to request additional FTEs for both an Inventory Manager as well as an internal auditor. This budget request will occur in the 3 <sup>rd</sup> quarter omnibus.

## Recommendation 2

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

### Agency Response

Concurrence	<b>Concur</b>
Implementation date	TDB
Responsible agency	<b>KCSO</b>
Comment	We fully concur with this recommendation and will request dedicated resources to address this body of work. We can make progress towards this recommendation to update our policies but will have to delay implementation until such time we have secured dedicated resources.

## Recommendation 3

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.

### Agency Response

Concurrence	<b>Concur</b>
Implementation date	TBD
Responsible agency	<b>KCSO</b>
Comment	We fully concur with this recommendation. Our ability to conduct a comprehensive risk assessment will require resources dedicated to this work. Our plan is to request additional FTEs for both an Inventory Manager as well as an internal auditor. This budget request will occur in the 3rd quarter omnibus.

## Recommendation 4

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

### Agency Response

Concurrence	<b>Concur</b>
Implementation date	12-31-19
Responsible agency	<b>KCSO</b>
Comment	We will work with King County central finance and business operations to align our internal policies and procedures to align with the county-wide approach on procurement.



### Recommendation 5

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.

#### Agency Response

Concurrence	<b>Concur</b>
Implementation date	12-31-19
Responsible agency	<b>KCSO</b>
Comment	We will convene an internal workgroup to determine the appropriate level of information to be contained in the purchasing memos. We will update our General Orders Manual with the new criteria and train our staff.

### Recommendation 6

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.

#### Agency Response

Concurrence	<b>Concur</b>
Implementation date	TBD
Responsible agency	<b>KCSO</b>
Comment	We will begin the conversation with our Contract City partners working in alignment with Risk Management. The goal is to reduce the risk to the county. The modification to the Internal Local Agreement will clearly describe both purchasing authority and operational approval for any high-risk item purchases.

### Recommendation 7

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

#### Agency Response

Concurrence	<b>Concur</b>
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Implementation date	TDB
Responsible agency	<b>KCSO</b>
Comment	The KSCO has recently purchased a Quartermaster system that will allow us to better track all assets. We believe this application will provide functionality in the future that would allow us to compare the records of what we purchase to what actually exists in our inventory. Prior to the functionality being available, we will work to develop a process to track this information.

### Recommendation 8

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.

#### Agency Response

Concurrence	<b>Concur</b>
Implementation date	TDD
Responsible agency	<b>KCSO</b>
Comment	We fully concur with this recommendation. This ties back to recommendation 1. We will need the appropriate resources to for this body of work. Once we have the resources we can develop the policy, the systems and implement a phased solution. Our plan is to request additional FTEs for both an Inventory Manager as well as an internal auditor. This budget request will occur in the 3rd quarter omnibu

### Recommendation 9

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.

#### Agency Response

Concurrence	<b>Concur</b>
Implementation date	TBD
Responsible agency	<b>KCSO</b>
Comment	With the development of our policies and procedures regarding inventory and high-risk assets, we will include processes for the physical inventory. This work is a body of work for the Inventory Manager and we will be requesting additional resources in the 3 <sup>rd</sup> quarter 2019 omnibus.

### Recommendation 10

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.

#### Agency Response

Concurrence	<b>Concur</b>
Implementation date	10-31-19
Responsible agency	<b>KCSO</b>
Comment	We are currently working to develop the scope for the management of high-risk items. Once this is completed, we can determine the appropriate level of resources and make the request for those resources.

### Recommendation 11

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

#### Agency Response

Concurrence	<b>Concur</b>
Implementation date	TBD
Responsible agency	<b>KCSO</b>
Comment	This recommendation is directly related to the KCSO having the appropriate level of resources for this body of work. We are evaluating the scope of the body of work and will request for appropriate resources to accomplish this work.



# Statement of Compliance, Scope, Objective & Methodology

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## Statement of Compliance with Government Auditing Standards

We 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, 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.

## Scope of Work on Internal Controls

We assessed internal controls relevant to the planning, purchase, ownership, and disposal of potentially high-risk equipment used by the King County Sheriff's Office (KCSO). This included interviews with knowledgeable staff across KCSO in specialized units and with agency leadership. We reviewed policies, procedures, and relevant sections of KCSO's General Orders Manual. We also conducted site visits to several units to observe controls in-person. In performing our audit work, we identified concerns relating to the assessment of risk of KCSO's equipment and gaps in or lack of controls for that equipment. We identified but did not include in the report information about certain physical control deficiencies that, if made public, could increase the risk of loss or harm the public good. We briefed management on these risks.

## Scope

This audit examined how KCSO manages high-risk equipment including weapons, tactical equipment, specialty vehicles, and electronic devices. We reviewed available data about that equipment from 2013 through 2018, and focused on items that warrant additional oversight because of their risk to public safety, value, or vulnerability to theft or loss. A full definition of high-risk equipment is provided in Appendix 1 of this report.

## Objectives

- To what extent does KCSO adequately assess its need for and oversee its receipt and disposal of high-risk assets?<sup>10</sup>
- To what extent does KCSO have sufficient systems in place to prevent the theft, loss, and abuse of high-risk assets used by KCSO officers?
- To what extent does KCSO mitigate risks to the physical storage of its property?

## Methodology

To understand the extent to which KCSO adequately assessed the risks of its equipment and put in place sufficient systems to address those risks, we reviewed relevant written descriptions of controls, including KCSO policies and procedures in the General Orders Manual and the Property Management

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<sup>10</sup> As detailed in this audit, KCSO lacks a risk assessment and definition of high-risk items. We decided that until these fundamental controls are in place we could not adequately review disposal processes. We may include this issue in a future audit.

Unit (PMU). We also reviewed available data and ran descriptive analyses on equipment databases and purchasing information from the PMU, KCSO Budget and Accounting, and King County Finance and Business Operations Division. We conducted a detailed review of purchasing information from 2017-2018 to estimate the amount spent on high-risk equipment during that time period. We interviewed KCSO staff with equipment purchasing, management, and disposal duties, including the Quartermaster, PMU sergeant and evidence specialist, Range staff, Budget and Accounting staff, Inspectional Services staff, and Technical Services staff.

To observe controls in practice and to understand more about how units may be addressing the risks of equipment, we conducted a series of semi-structured interviews with staff from the Air Support, Marine, and TAC-30 units, Automated Fingerprint Identification System (AFIS) program, and Aircraft Rescue and Fire Fighting (ARFF) units. We also conducted site visits and additional interviews with the PMU, TAC-30, Marine, and Range units. The site visits included observations of physical controls and control procedures, including observation of an equipment inventory at TAC-30.

To be able to assess the risk management practices we observed at KCSO against standards and practices from other county, government, and industry organizations, we reviewed documents from the International Organization for Standardization, United States Department of Homeland Security, and United States Government Accountability Office. We also interviewed other King County general fund agencies that manage high-risk equipment, such as the Department of Adult and Juvenile Detention, the Parks and Recreation Division, King County Information Technology, Airport Division, and the Seattle-King County Department of Public Health. We interviewed other law enforcement agencies, including the Snohomish County Sheriff's Office and the Los Angeles Police Department.



# List of Recommendations & Implementation Schedule

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## Recommendation 1

**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.**

IMPLEMENTATION DATE: TBD

ESTIMATE OF IMPACT: The risk assessment will help ensure that KCSO is able to ensure it has identified the risks of its equipment and serve as the basis of efficient, effective, and consistent safeguards that reduce the financial, legal, and safety risks to the county and the public.

## Recommendation 2

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

IMPLEMENTATION DATE: TBD

ESTIMATE OF IMPACT: Conducting risk assessments regularly will ensure KCSO's safeguards are effective as new technology or equipment is adopted and new risks are identified.

## Recommendation 3

**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.**

IMPLEMENTATION DATE: TBD

ESTIMATE OF IMPACT: Providing guidance on how to implement effective safeguards that meet operational needs will help ensure safeguards are implemented consistently across the department, addressing gaps that might allow high-risk items to be lost, stolen, or misused.

## Recommendation 4

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

IMPLEMENTATION DATE: 12/31/2019

ESTIMATE OF IMPACT: Aligning purchasing processes with the risk level of items will help improve the efficiency of the process for less risky items, potentially saving staff time. It will also help ensure purchasing processes meet operational needs, so that officers can do their work effectively.



## Recommendation 5

**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.**

IMPLEMENTATION DATE: 12/31/2019

ESTIMATE OF IMPACT: Providing guidance on expectations for what to include in a purchasing memo will help officers provide the information that commanding officers and the chief financial officer need to implement this purchasing control effectively.

## Recommendation 6

**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.**

IMPLEMENTATION DATE: TBD

ESTIMATE OF IMPACT: Making the purchasing authority and approval process explicit in agreements with contract cities will help KCSO ensure that it is aware of and able to mitigate risks to the county, the public, and its officers for any equipment its officers use.

## Recommendation 7

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

IMPLEMENTATION DATE: TBD

ESTIMATE OF IMPACT: Checking inventory data against financial data will ensure that KCSO has accurately accounted for purchased items in its inventory data, which help KCSO prevent high-risk items from being lost or stolen.

## Recommendation 8

**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.**

IMPLEMENTATION DATE: TBD

ESTIMATE OF IMPACT: Regular, comprehensive physical inventories of high-risk items will provide KCSO with a way to check that it has the items it is supposed to have and that these items are being

maintained. This will help protect against the legal, financial, and safety risks to the county, officers, and the public from items that are lost, stolen, or no longer work properly or safely.

## Recommendation 9

**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.**

IMPLEMENTATION DATE: TBD

ESTIMATE OF IMPACT: Tracking contract city items will allow KCSO to ensure all high-risk items used by officers are not lost, stolen, or no longer working.

## Recommendation 10

**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.**

IMPLEMENTATION DATE: 10/31/2019

ESTIMATE OF IMPACT: Defining the body of asset management work and assigning appropriate staff resources to those tasks will help ensure that there are staff with the authority to implement safeguards effectively, helping to increase consistency and reduce risk.

## Recommendation 11

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

IMPLEMENTATION DATE: TBD

ESTIMATE OF IMPACT: Using inventory to inform purchasing and budget decisions will help KCSO plan for upcoming or reoccurring costs, preventing unanticipated expenses that could impact other areas of KCSO's budget or keep KCSO from buying or maintaining equipment essential to operational needs and officer safety.



# KING COUNTY AUDITOR'S OFFICE

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## Advancing Performance & Accountability

KYMBER WALTMUNSON, KING COUNTY AUDITOR

**MISSION** Promote improved performance, accountability, and transparency in King County government through objective and independent audits and studies.

**VALUES** INDEPENDENCE - CREDIBILITY - IMPACT

**ABOUT US** The King County Auditor's Office was created by charter in 1969 as an independent agency within the legislative branch of county government. The office conducts oversight of county government through independent audits, capital projects oversight, and other studies. The results of this work are presented to the Metropolitan King County Council and are communicated to the King County Executive and the public. The King County Auditor's Office performs its work in accordance with Government Auditing Standards.



This audit product conforms to the GAGAS standards for independence, objectivity, and quality.