



King County



# KING COUNTY AUDITOR'S OFFICE


DECEMBER 1, 2023

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


**The King County Sheriff's Office continues to make progress advancing procedures for improved inventory management, reducing the risk of unanticipated costs and equipment loss.** Since the last audit follow-up, a year ago in December 2022, the Sheriff's Office has implemented the inventory control practices in its 2022 updates to the General Orders Manual. It has also developed processes that leverage the capabilities of its new asset management software system. By identifying and training asset managers on the new system and implementing its automatic reporting functions, the Sheriff's Office greatly improved its ability to manage the risks related to its property and to forecast its future asset needs. These actions completed three recommendations and helped advance another recommendation from open to progress.

**Completing a framework for managing partner-owned equipment, and improving inventory and procurement procedural coordination, would address the ongoing risk of losing property while increasing efficiency.** The Sheriff's Office continues to use equipment owned by its contract partners. Improving the management of partner-owned equipment is crucial because those items carry the same risks as property the Sheriff's Office owns. Although the Sheriff's Office has general agreements with partners on how items they own should be managed, the Sheriff's Office still lacks a formalized framework for approving partner-owned items and ensuring they are tracked in the Sheriff's Office's inventory control system. In addition, procurement processes are still inefficient because the level of management review is not aligned with the risk of the item being purchased. Addressing these two areas would complete the remaining recommendations, ensuring that the Sheriff's Office is simultaneously addressing risk and increasing efficiency in managing inventory.

Of the eleven audit recommendations:

	6 <b>DONE</b>		5 <b>PROGRESS</b>		0 <b>OPEN</b>
FULLY IMPLEMENTED Auditor will no longer monitor.		PARTIALLY IMPLEMENTED Auditor will continue to monitor.		REMAIN UNRESOLVED Auditor will continue to monitor.	


See details below for implementation status of each recommendation.

Recommendation 1	On August 2, 2021	DONE	
Recommendation 2	On December 1, 2022	DONE	
Recommendation 3		DONE	

**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: At the time of the last audit follow-up in December 2022, the Sheriff’s Office had implemented its new asset management system, Collective Quartermaster (CQ), and had made progress in training asset managers on the system. In 2023, it completed the initial runs of asset manager training and is now actively training asset managers as they move into asset management roles. The risk categories defined in CQ align with the risk category purchasing requirements framework.

IMPACT: By completing this recommendation, the Sheriff’s Office ensures that an essential baseline of inventory controls helps safeguard its high-risk items, both in terms of item inventories and item controls, according to risk level. This means that the Sheriff’s Office is now able to scale its safeguards to ensure that items of greater risk receive greater attention, and it can revisit controls for particular types of items when needed. Although this does not solve the challenge of risk-based asset management, it significantly improves the Sheriff’s Office’s awareness of what its highest-risk items are, where they are located, and what controls are needed to prevent their loss or misuse.

Recommendation 4		PROGRESS	
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**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: During the last audit follow-up in December 2022, the Sheriff’s Office had reviewed the risk assessment matrix and was exploring alternatives for the procurement workflow process. That work is ongoing; the Sheriff’s Office’s budgeting and accounting group is reviewing software options that include the risk category purchasing requirements as part of other budgeting and procurement software needs.

WHAT REMAINS: As stated in the last two audit follow-ups (August 2021 and December 2022), to complete this recommendation, the Sheriff’s Office should incorporate the risk category purchasing requirements into the procurement review and approval process. And, as noted

before, so long as the review and approval process tailors the level of review to the level of risk, this can be accomplished without a new data system. While the Sheriff's Office's interest in addressing this recommendation through software options is logical, the underlying needs are already included in the purchasing requirements. Formalizing these requirements could increase efficiency by simplifying procurement processes for lower risk items.

## 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: As with Recommendation 4, the Sheriff's Office is exploring alternatives for the procurement workflow process through software options that tailor the level of information required to the risk category of the item, based on the risk category purchasing requirements framework. As it does so, the Sheriff's Office is also establishing procurement procedural requirements for staff to include risk analysis for items based on the framework.

WHAT REMAINS: Tailoring the level of information needed to support procurement requests contingent upon the level of risk for items purchased will simplify the procurement process and help reduce workload for requestors and reviewers. To complete this recommendation, as with Recommendation 4, the Sheriff's Office should incorporate the risk category purchasing requirements into the procurement review and approval process.

## 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 reorganized in 2023, creating a new Community Programs and Services Division (CPSD). CPSD includes the Contracting Unit, which is responsible for managing the police partnerships between the Sheriff's Office and the cities and agencies it serves. As part of a wider-ranging conversation with its partners on the interlocal agreement (ILA) contracting structure, the Sheriff's Office has discussed management and approval of partner-owned equipment by identifying high-risk equipment and establishing requirements for end-of-life cycle equipment. The parties have agreed, in principle, to clarify these responsibilities in the next iteration of the contract structure, but the actual format depends upon the outcome of ongoing conversation among the partners about the future direction of the ILA.

WHAT REMAINS: To complete this recommendation, as stated in the December 2022 audit follow-up, 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. Although this issue is part of the larger discussion about the partner contracting relationship—and individual items, such as firearms, have been addressed as discussion topics—the risk of not having a documented framework for managing partner-owned items is ongoing. As the concerns of the Sheriff's Office and its partners are aligned, addressing this recommendation should be a key priority.

## 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: As explained in our December 2022 audit follow-up, the Sheriff's Office's implementation of CQ allows it to establish life cycles for items (see Recommendation 11) and to cross-compare financial data with the current inventory. Since then, the Sheriff's Office has created inventory reports for specific item types, like ballistic vests, and receives automatic monthly reports on their status. However, it has not specified how it will address the status of these items in future procurements or inventory control procedures, or how it will use the query template to compare Microsoft Power BI purchasing information with CQ as items are purchased and replaced.

WHAT REMAINS: To complete this recommendation, the Sheriff's Office should document procedures for comparing financial and inventory data so that purchased items are documented as received and added to the inventory database. Many of the steps in this process are already established in the procurement and asset management workflows; specifying how the two connect would address the risk of purchased items not being entered into the database.

## Recommendation 8

On December 1, 2022

DONE



## Recommendation 9

PROGRESS



### **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: This recommendation may be nearly complete but ultimately depends on the process for identifying partner-owned items in CQ (see Recommendation 6). The Sheriff's Office has established internal inventory control procedures for all items, including items owned by

contract partners, and includes these items in CQ. This means that some items currently have dual asset tags (for both the contract partner and the Sheriff's Office). Regardless, the inventory procedures used for these items are based on each item's level of risk per the risk management framework.

WHAT REMAINS: To complete this recommendation, the Sheriff's Office should complete the agreement in Recommendation 6, and then document how it will implement that process in its own inventory controls. In simple terms, the Sheriff's Office has the ability to track partner-owned items within its database and is already doing so. What remains is specifying how partner-owned items are identified by the partners and the Sheriff's Office together, for inclusion in the database.—

## Recommendation 10

DONE



**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: Best practice is to conduct periodic inventories of all items, with inventories of specific high-risk items annually. The inventory procedures updates in the General Orders Manual, that completed Recommendation 2 in December 2022, reflect these practices. Unfortunately, while greatly improved, the Sheriff's Office cannot easily meet these standards because the current system depends on line staff in operational roles acting as asset managers. This means that the overall accuracy of the Sheriff's Office inventory still relies on some individual inventories—and the potential for errors or omissions—unless or until reviewed by the inventory control manager.

In the December 2022 follow-up, Sheriff's Office staff performed an inventory workload assessment for the 2023–2024 budget cycle and identified that two positions were needed for that workload. The positions were approved by the Sheriff's Office as part of its budget request but ultimately were not included in the biennial budget. We noted then that “establishing these positions could be challenging,” given that the Sheriff's Office staffing is already below budgeted levels. Accordingly, we explained that completing the recommendation did not require the positions to be filled, but that the Sheriff's Office could estimate the effect the positions (or lack thereof) would have on the inventory control workload and its accuracy. By finishing Recommendation 3, Sheriff's Office staff can show the relationship between staffing and the accuracy of its equipment inventories by looking at the rate of inventories completed by asset control managers and the rate that they complete training.

IMPACT: By estimating and requesting the staffing resources needed for dedicated inventory control and review of ongoing inventory progress by Sheriff's Office staff, the agency is able to quantify the potential costs and benefits of future improvements in inventory control practices.

## Recommendation 11

DONE



**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: As explained in Recommendation 11, the Sheriff's Office has created inventory reports for specific item types that automatically report out on key variables related to the asset. In our previous audit follow-ups (December 2022 and August 2021), we noted that these reports were key for items that had a defined expiration date, and the Sheriff's Office has implemented additional reports based on the type of asset. For example, radars and lidar speed measuring devices require periodic certifications that are provided to local courts. CQ now allows asset managers the ability to access those certifications digitally and to verify that they are up to date. The Sheriff's Office's inventory control manager is now adding additional warranty and depreciation data into CQ to track performance and inform future decision-making. Future reports may build on this information beyond annually, and by using the data to estimate additional needs based on an item's use and life cycle, decisions can be made to replace expired assets.

IMPACT: Implementation of this recommendation will reduce costs and increase safety. By automatically flagging expiring items in advance, and monitoring asset quality, the Sheriff's Office is more able to accurately budget future needs.

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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](mailto:KCAO@KingCounty.gov) or 206-477-1033.