

## POLICE IMPOUND LOT AND AUCTION

### BACKGROUND

The Tampa Police Department (TPD) acquires thousands of items annually as a result of their law enforcement operations. These items are stored at the Police Property Room, and the Impound Lot, located at 110 South 34th street. In FY 94 they received 21,009 pieces of evidence and released 11,364 evidence items. They also received 4,200 items of lost property and disposed of 3,567 items of same (sold at auction or reunited with the owner). TPD obtained 1,538 vehicles and disposed of 907 to owners; 234 were sold at auction and 72 were junked. Revenues from the Impound Lot were:

Wrecker Fees	\$78,939
Storage Fees	59,708
Auction Vehicles	114,485
Auction Misc.	<u>22,341</u>
Total	\$275,473

The Impound Lot is manned with five personnel (one Evidence Services Specialist and four Evidence Services Technicians). There are currently about 250 vehicles stored at the Impound Lot. Abandoned vehicles are picked up by commercial wreckers and stored by them at their facilities.

### SCOPE

The audit period will be from January 1, 1990 to December 31, 1994 for testing inventory evidence included on the Impound Lot Property Listing dated 6/28/95. Found property will be tested for the period of January 1, 1990 to May 31, 1995 as included on the Impound Lot Property Listing dated 6/28/95. Evaluation of internal controls will be based on conditions currently in practice as of the last day of field audit work. Evaluation of Police auctions will be based on our overview of one vehicle auction and one auction of miscellaneous items and accountability for auction receipts will be verified for all FY 95 transactions.

### PLANNING

1. Prepare and send an entrance letter to the Police Chief.
2. Prepare a planning program and include a time for budget for the preliminary survey work.
3. Conduct an in-house review of the following:
  - a. Prior internal audit reports and management comments from the external auditors.
  - b. The annual budget and the Mission and Management Statement for the Police Department, and
  - c. The City Charter, Organization Chart, and any Procedure Manuals.
4. Schedule and hold an entrance conference with the Police chief and his staff. Obtain the name of the departmental contact person, and secure a place from which to conduct the field work portion of the audit.
5. Start the preliminary survey by interviewing the appropriate personnel in the Police Department. Document interviews with narratives in the audit work file.
6. Review and document the system of internal controls. Include control points, such as the location within the system of approvals, authorizations, segregation of listings, exception reports, and etc.

7. After gaining an understanding of various functions, conduct several transaction walk-throughs. Revise documentation as necessary.
8. Prepare a survey memo listing the strengths and weaknesses of the system. Discuss the areas of greatest risk and exposure to the City. Also, include the suggested audit objectives and test procedures. Discuss with the Audit Supervisor and Deputy Director.
9. Prepare the audit program and include a time budget and estimated completion date. Index the work file and turn in for review.
10. Clear review notes and revise the audit program as necessary.

#### **OBJECTIVE # 1**

Determine if randomly selected items (70) from the Impound Lot evidence listing were available or had been disposed of by proper authority. For items available, verify whether retention was required.

11. Obtain the Impound Lot listing of evidence items received during the audit period.
12. Of the 918 evidence items listed, develop a randomly selected sample which will provide a confidence level of 95%, expected error rate of 5% with a desired precision of + or - 5%. The sample was determined to be 70.
13. Physically locate randomly selected items to verify that evidence exists.
14. For items not located, verify that they were properly disposed of .
15. Prepare letters and forward them to the appropriate officers for all items located to determine if retention was required.
16. Summarize and conclude.

#### **OBJECTIVE # 2**

Determine if the randomly selected items (25) from the Impound lot found property listing were available, and if so. Verify if they should have been disposed of.

17. From the Impound Lot listing randomly select a sample of 25 items and determine if they are in existence. If found determine if they should be retained or disposed of. Note: these items may be disposed of if not claimed with 90 days.
18. Summarize and conclude.

#### **OBJECTIVE # 3**

Determine if any stored items were being held illegally. Note: There are rules and regulations on what cant be stored in the Property Room and what can be stored at the Impound Lot. This is a test to determine if TPD is adhering to state law and its rules and regulations regarding the storing of property and controlled substances.

19. From the found property listing for the Impound Lot, randomly select 25 items stored at the Impound Lot and verify that they are recorded in TPD's evidence or found property records maintained in the Property Room.
20. Summarize and conclude.

#### **OBJECTIVE # 4**

Determine if Impound Lot auctions were being conducted in accordance with TPD rules and regulations that govern such events.

21. Observe on vehicle auction and one bicycle and miscellaneous items auction noting security arrangements and internal controls over cash handling, title transfers, and record keeping.
22. Summarize and conclude.

#### **OBJECTIVE # 5**

Evaluate physical security at the Impound Lot.

23. Perform a walk-through and observe the physical layout of the Impound Lot.
24. Review any records of break-ins. Look for patterns, what was stolen, etc.
25. Determine is the facility is adequate for the amount of vehicles in storage.
26. Determine is the property custodial care is being taken for the vehicles, bicycles and misc. items being stored at the Impound Lot (in other words, are the items deteriorating unduly because of neglect). Note instances were bicycles and motorcycles are stored outside in the weather (they are required to be under cover to prevent deterioration). Also, note any instances where vehicle windows are rolled down, trunk lids up, or doors left open.
27. Summarize and conclude.

#### **OBJECTIVE # 6**

Determine is FY95 auction receipts were properly accounted for.

28. Obtain auction receipts from the Property Room and trace the information to the proper city accounting records (GL) using June 30, 1995 as a cut date. This is necessary to ensure that all items being tested have had enough time to be posted.
29. Summarize and conclude.

#### **WRAP-UP**

30. Complete documentation and index working papers. Assemble the audit work file, prepare a draft of the audit report and turn in for review.
31. Clear review notes and make changes, if necessary.
32. Send a copy of the report to the Police chief and arrange for an exit conference, if necessary.
33. Assemble the final audit report with written responses from the Police Department and send to the printer.
34. Finalize the audit work file and update the permanent file.

