

Memorandum



CITY OF DALLAS
(Report No. D14-001)

DATE: November 11, 2013

TO: A.C. Gonzalez, Interim City Manager
David O. Brown, Chief of Police – Dallas Police Department

SUBJECT: Independent Auditor's Report on Applying Agreed-Upon Procedures for the
Fiscal Year 2013 # 2 Drug Destruction

Attached for your review is the Independent Auditor's Report on Applying the Agreed-Upon Procedures for the Fiscal Year 2013 # 2 Drug Destruction. The detail information obtained from the Property Unit's inventory tracking application, *Evidence Manager*, for the **2,748 drug invoices** and associated **4,102 drug articles** totaling **3,090 pounds** destroyed is available for review at your convenience in the Office of the City Auditor (Office).

During the verification and destruction procedures, we noted that:

- Eight invoices had Property Tag dates that did not agree to the Property Tag dates documented in *Evidence Manager*.
- One invoice had a Property Tag Number that did not agree to the Property Tag number in *Evidence Manager*.
- Ten invoices had Service Number discrepancies between the Property Tag and what was documented in *Evidence Manager*.
- Eight invoices were removed from the destruction for lack of authorization.
- Thirty eight invoices had 44 discrepancies related to the description and/or quantities on the Property Tag attached to the drug articles that did not agree to the information documented in *Evidence Manager*.

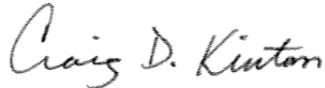
All discrepancies have been corrected in *Evidence Manager* and verified by City Auditor personnel prior to the date of destruction.

We have performed the procedures described in Attachment I, which were agreed to by the Dallas Police Department (DPD), solely to assist the Dallas City Council and City of Dallas (City) management in evaluating DPD's compliance with applicable State Statutes and DPD Property Unit's Standard Operating Procedures related to disposal of drug articles.

The Dallas City Charter Chapter IX, Section 3, and the Office's Fiscal Year 2013 Annual Audit Plan approved by the City Council authorized these agreed-upon procedures projects.

If you have any questions, please contact me at 214-670-3222 or, Carol A. Smith, Assistant City Auditor, at 214-670-4517.

Sincerely,



Craig D. Kinton
City Auditor

Attachments

- C: Honorable Members of the Budget, Finance & Audit Committee
 - Ryan S. Evans, Interim First Assistant City Manager
 - Chief Patricia A. Paulhill – Dallas Police Department
 - Deputy Chief James Walton – Dallas Police Department
 - Lt. David Bonicard, Commander – Dallas Police Department Property Room
 - Sgt. Jerry Fonville, Supervisor – Dallas Police Department Property Room
 - Leatrice Conwright, Manager – Dallas Police Department Inspections Unit
 - Dana Perez, Accreditation Coordinator – Dallas Police Department

**City of Dallas Office of the City Auditor
Independent Auditor's Report on Applying Agreed-Upon Procedures**

Drug Destruction – Fiscal Year 2013 # 2

We have performed the procedures described in Attachment I, which were agreed to by the Dallas Police Department (DPD), solely to assist the Dallas City Council and City of Dallas (City) management in evaluating DPD's compliance with applicable State Statutes, DPD Property Unit's Standard Operating Procedures, and the following objectives:

- Drug articles scheduled for destruction are properly authorized by police personnel (i.e., was the authorization for destruction received from appropriate DPD personnel);
- Drug articles authorized for destruction are properly accounted for and the drug articles listed on the property inventory tags matched the inventory listing, which is the basis for the Judgment in REM; and,
- Drug articles identified for destruction are adequately safeguarded from the point of verification through destruction.

The following exceptions were noted as a result of performing the agreed-upon procedures:

- Eight invoices had Property Tag dates that did not agree to the Property Tag dates documented in *Evidence Manager*.
- One invoice had a Property Tag Number that did not agree to the Property Tag number in *Evidence Manager*.
- Ten invoices had Service Number discrepancies between the Property Tag and what was documented in *Evidence Manager*.
- Eight invoices were removed from the destruction for lack of authorization.
- Thirty eight invoices had 44 discrepancies related to the description and/or quantities on the Property Tag attached to the drug articles that did not agree to the information documented in *Evidence Manager*.

All discrepancies have been corrected in *Evidence Manager* and verified by City Auditor personnel prior to the date of destruction.

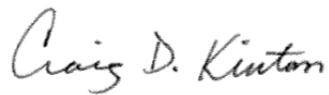
The DPD is responsible for the establishment of the policies and procedures, maintenance of the records related to the receipt, processing, storage, and disposal of drug articles, and for compliance with those requirements.

These agreed-upon procedures were conducted in accordance with United States generally accepted government auditing standards, which incorporate attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in

this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the Dallas City Council and City management and it is not intended to be and should not be used by anyone other than this specified party; however, the report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Craig D. Kinton".

Craig D. Kinton, CPA
City Auditor

November 5, 2013

Attachment I

Agreed-Upon Procedures and Results of Procedures

Drug Destruction: Fiscal Year 2013 # 2 – November 5, 2013

Agreed-Upon Procedures	Results of Procedures
1. City Auditor's Office personnel will verify that drug articles scheduled for destruction are authorized for disposal according to DPD Property Unit operating procedures.	No exceptions were found as a result of applying the procedure.
2. City Auditor's Office personnel will be accompanied by a member of the Property Unit Drug Team upon entry into the drug vault processing area.	No exceptions were found as a result of applying the procedure.

Agreed-Upon Procedures	Results of Procedures
<p>3. City Auditor's Office personnel will conduct a verification of drug articles scheduled for disposal. The verification will confirm that all information on the property tag attached to each drug package agrees to the information on the inventory listing extracted from <i>Evidence Manager</i> used for the verification.</p>	<p><u>Exceptions:</u></p> <p>We noted the following during the verification procedures:</p> <ul style="list-style-type: none"> • Eight invoices had Property Tag dates that did not agree to the Property Tag dates documented in <i>Evidence Manager</i>. • One invoice had a Property Tag Number that did not agree to the Property Tag number in <i>Evidence Manager</i>. • Ten invoices had Service Number discrepancies between the Property Tag and what was documented in <i>Evidence Manager</i>. • Eight invoices were removed from the destruction for lack of authorization. • Thirty eight invoices had 44 discrepancies related to the description and/or quantities on the Property Tag attached to the drug articles did not agree to the information documented in <i>Evidence Manager</i>. <p>All discrepancies noted were corrected in <i>Evidence Manager</i> prior to the destruction date.</p>
<p>4. City Auditor's Office personnel will secure the drug articles once the verification procedures are completed to ensure the storage area is not accessed further until the date of destruction.</p>	<p>No exceptions were found as a result of applying the procedure.</p>
<p>5. City Auditor's Office personnel will confirm that the inventory listing used for the verification procedures agrees to the inventory listing provided to the Dallas County Criminal District Court along with the request for the Judgment in REM.</p>	<p>No exceptions were found as a result of applying the procedure.</p>

Agreed-Upon Procedures	Results of Procedures
<p>6. City Auditor's Office personnel will verify that the Judgment in REM is signed by a Dallas County Criminal District Court Judge, authorizing the drug destruction.</p>	<p>No exceptions were found as a result of applying the procedure.</p>
<p>7. City Auditor's Office personnel will be present when the blue tag seal and lock are removed from the storage area. City Auditor's Office personnel will monitor drug articles as they are moved from the storage area to the transport vehicle.</p>	<p>No exceptions were found as a result of applying the procedure.</p>
<p>8. City Auditor's Office personnel will compare the container count at the end of verification procedures to the container count at the time the storage area is opened on the date of destruction.</p>	<p>No exceptions were found as a result of applying the procedure.</p>
<p>9. City Auditor's Office personnel will secure the transport vehicle with a City Auditor's Office lock and maintain possession of the key until the time when the drug articles are off-loaded at the destruction facility.</p>	<p>No exceptions were found as a result of applying the procedure.</p>
<p>10. City Auditor's Office personnel will accompany the transport vehicle containing the drug articles to the destruction facility.</p>	<p>No exceptions were found as a result of applying the procedure.</p>
<p>11. City Auditor's Office personnel will observe the destruction of drug articles to ensure the drug articles are destroyed according to DPD Property Unit operating procedures.</p>	<p>No exceptions were found as a result of applying the procedure.</p>
<p>12. A certification of destruction will be prepared by DPD Property Unit personnel. This certification will be signed, upon return from the destruction facility, by two DPD police officers of rank Lieutenant or higher and the representative from the City Auditor's Office who witnessed the destruction.</p> <p>The certification of destruction will be notarized.</p>	<p>No exceptions were found as a result of applying the procedure.</p>

Agreed-Upon Procedures	Results of Procedures
13. City Auditor's Office personnel will prepare a report describing the findings. The report will be issued to the Chief of Police.	Report prepared.