

MANAGEMENT AUDIT REPORT

OF

ALBUQUERQUE POLICE DEPARTMENT
FIREARMS INVENTORY

REPORT NO. 12-103



City of Albuquerque
Office of Internal Audit

Executive Summary

The Office of Internal Audit (OIA) conducted a management audit of the Firearms Inventory maintained by the Albuquerque Police Department (APD). The audit was requested by APD's Administration and was included in OIA's fiscal year 2012 approved audit plan.

APD has served the Albuquerque community for over 125 years. The department strives for excellence in meeting the needs of residents and visitors alike to create a safe and friendly community. APD is comprised of a unique and diverse workforce consisting of over 1,560 employees. With nearly 19 percent of the total City of Albuquerque budget and an authorized sworn strength of approximately 1,100 officers, APD responds to over 42,000 calls for service on a monthly basis, serving nearly 500,000 people.

APD officers are issued a variety of equipment to properly perform their assigned duties. Issued firearms vary with position and officer status; however, each sworn officer receives a department-issued handgun and shotgun.

Does the Albuquerque Police Department maintain an accurate and up-to-date firearms inventory?

- APD does not conduct a complete periodic inventory or serial number verification of all issued and unissued firearms. Documentation is not retained to identify when inventory procedures are completed. As a complete inventory is not taken, the following were noted:
 - Fourteen out of sample of 21 firearms selected from the Special Weapons Tactics Team (SWAT) inventory were not listed in the Quartermaster database.
 - Two out of 24 property cards selected for verification listed firearms that the officers no longer had. One property card did not list a department-issued shotgun that the officer had in his possession. Separate test work identified one officer whose department-issued firearm was neither listed on the officer's property card nor in the Quartermaster database.
 - From the list of firearms stored at the West Range, one out of a sample of 21 was listed incorrectly in the Quartermaster database.
 - Two out of a sample of 57 firearms stored in the Property Control Unit vault were not listed accurately in the Quartermaster database.
 - Accuracy errors of serial numbers were noted in the Quartermaster database. For example, B erroneously recorded as 8, C recorded as G, etc.
- Fourteen individuals in the Quartermaster database are not APD employees, AFD Arson investigators, or active APD Reserve Officers. One non-APD employee was issued a firearm resultant of an e-mail from the Range master.

- One out of 12 officers selected who carry personal firearms for duty purposes did not have the necessary authorization form and proof of qualification on file at the Range to carry the firearm.
- Documentation is not maintained when the Range temporarily issues firearms, and the Property Control Unit is not notified of firearms issuance from the Range.

Is APD issuing and accounting for all firearms in accordance with applicable Procedural Orders/Standard Operating Procedures?

- The Property Control Unit does not receive Forms PD 3003 “Issued Equipment Inspection Report” bi-annually in March and September following the line inspections.

Are internal controls surrounding firearms inventory adequate?

- Currently, the electronic controls surrounding the Quartermaster database do not require password complexity or mandatory password changes. Additionally, passwords may be reused.
- The Property Control Unit does not have adequate separation of duties with regard to the issuance, receipt, and tracking of firearms.
- Shipments of firearms are not all directly sent to the Property Control Unit.

Recommendations and management responses are included in the audit report.



City of Albuquerque

Office of Internal Audit

P.O. BOX 1293 ALBUQUERQUE, NEW MEXICO 87103

June 27, 2012

Accountability in Government Oversight Committee
City of Albuquerque
Albuquerque, New Mexico

Audit: Management Audit
APD Firearms Inventory
12-103

FINAL

INTRODUCTION

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APD has served the Albuquerque community for over 125 years. The department strives for excellence in meeting the needs of residents and visitors alike to create a safe and friendly community. APD is comprised of a unique and diverse workforce consisting of over 1,560 employees. With nearly 19 percent of the total City of Albuquerque budget and an authorized sworn strength of approximately 1,100 officers, APD responds to over 42,000 calls for service on a monthly basis, serving over 500,000 people.

APD officers are issued a variety of equipment to properly perform their assigned duties. The firearms carried vary with position and officer status; however, each sworn officer receives a department-issued handgun and shotgun.

To track and account for firearms, the APD Property Control Unit utilizes an electronic database known as the Quartermaster database. This database is an all-inclusive listing of APD's issued and unissued firearms. In addition to firearms, the Quartermaster database is used to track all department-issued property. The data entered is searchable and sortable and may be printed to create an individual property card for each officer. These printed property cards are used as an additional tracking method for APD's firearms and other issued property. Changes to an officer's property are manually noted on the property card along with the officer's signature confirming and documenting the change. The property card changes are entered into the Quartermaster database and an updated card is printed and added to the officer's file. The Property Control Unit is charged with issuing,

receiving, and accounting for all APD-issued firearms and property. As of January 2012, the Quartermaster database contained information on 6,045 firearms.

AUDIT OBJECTIVES

The objectives of the audit were to determine:



- Does APD maintain an accurate and up-to-date firearms inventory?
- Is APD issuing and accounting for all firearms in accordance with applicable Procedural Orders & Standard Operating Procedures?
- Are internal controls surrounding firearms inventory adequate?

SCOPE

Our audit did not include an examination of all functions and activities related to APD's firearms. Our scope focused on testing the accuracy of APD's firearms inventory including a verification of property cards.

This report and its conclusions are based on information taken from a sample of transactions and do not represent an examination of all related transactions and activities. The audit report is based on our examination of activities through the completion of fieldwork on March 28, 2012, and does not reflect events or accounting entries after that date.

We conducted this management 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.

METHODOLOGY

We utilized several methodologies to achieve the audit objectives. These evidence gathering techniques included, but were not limited to:

- Interviewing key APD personnel,
- Obtaining an electronic copy of the Quartermaster database,
- Analyzing the Quartermaster database for completeness and accuracy,

- Identifying and testing internal controls over firearms,
- Observing issued firearms,
- Obtaining a list of active APD Reserve Officers,
- Reviewing APD Standard Operating Procedures (SOPs) and Administrative Orders pertaining to firearms,
- Reviewing City of Albuquerque, Information Technology Department Policies and Standards,
- Reviewing IT Governance Institute's Control Objectives for Information and related Technology (CobiT) audit guidelines and,
- Reviewing Government Finance Officers Association (GFOA) Best Practices.

FINDINGS

The following findings concern areas that we believe could be improved by the implementation of the related recommendations.

1. APD SHOULD CONDUCT A COMPLETE ANNUAL INVENTORY AND SERIAL NUMBER VERIFICATION OF ALL FIREARMS.

APD does not conduct a complete periodic inventory or serial number verification of all issued and unissued firearms. Furthermore, documentation is not retained to identify when inventory procedures are completed.

During fieldwork OIA noted the following:

- From a total population of 166 firearms listed on the Special Weapons Tactics Team (SWAT) inventory, a statistical sample of 21 firearms was selected. Of the 21 firearms selected, 14 (67%) were not listed in the Quartermaster database.
- From a total population of 1,133 property cards, a statistical sample of 24 property cards was selected for verification. Of the 24 selected, two property cards (8.3%) listed firearms that the officers no longer had. In addition, one property card (4.2%) did not list a department-issued shotgun that the officer had in his possession.
- From the completion of surprise testwork in which firearms in officers' possession were documented and traced to their property cards, one officer's firearm was not listed as a department-issued firearm on the officer's property card or in the Quartermaster database. Furthermore, the firearm was not listed as a personal

firearm in the officer's file at the West Range (Range). The firearm was determined to be a department issued weapon.

- The list of firearms stored at the Range does not match the Quartermaster database of firearms maintained by the Property Control Unit. From a population of 128 firearms listed, a statistical sample of 21 firearms was selected from the list of firearms stored at the Range. Of the 21 selected, the Range documentation listed one firearm (4.8%) at the Range, while the Quartermaster database listed it as issued to an officer.
- The firearms stored in the vault of the Property Control Unit are not listed accurately in the Quartermaster database. From a sample of 57 firearms stored in the vault, two (3.5%) were recorded incorrectly in the Quartermaster database.
- The Quartermaster database contained serial number errors. For example, the letter B was recorded instead of the number 8, the letter C was recorded instead of the letter G, etc.

The Standard Operating Procedures (SOPs) do not specify the frequency in which inventory verification should occur.

By not conducting a complete inventory on an annual basis, APD may not have an accurate listing of firearms. As a result, errors and discrepancies may occur and remain undetected. Without documentation identifying when the most recent complete inventory was conducted, APD would be unable to determine when the discrepancies occurred.

According to Administrative Order 3-75, "Department policy is to properly inventory all department property and to hold all personnel accountable for property issued to them." Additionally, GFOA documents the importance of inventory activities and states "accounting records are good only to the extent that they faithfully reflect underlying facts."

RECOMMENDATION

APD should:

- Amend the SOPs to require that a complete inventory, including the verification of all serial numbers, be taken annually.
- Maintain documentation and dates when complete inventories were conducted.

RESPONSE FROM APD

“APD agrees to amend the SOPs to require that a complete inventory, including the verification of all serial numbers, be taken annually and to maintain documentation and dates when complete inventories were conducted.”

ESTIMATED COMPLETION DATE

“The estimated completion date is September 30, 2012.”

2. APD SHOULD PERIODICALLY REVIEW THE STATUS OF INDIVIDUALS WHO HAVE BEEN ISSUED FIREARMS.

Currently, there are 14 individuals listed in the Quartermaster database who are not APD employees, Albuquerque Fire Department (AFD) Arson investigators, or APD Reserve Officers.

- Nine individuals are inactive APD Reserve Officers – not listed on the November 2011 Reserve Officer Lineup;
- Two individuals are AFD employees, though not Arson investigators;
- One individual works for the Department of Finance & Administration (DFA);
- One individual’s connection to APD firearms could not be determined; and
- One individual retired from APD in 2009 and did not return his firearms.

APD does not have SOPs to address the other categories of individuals, other than Reserve Officers, who are issued APD firearms. Additionally, APD does not have policies or criteria documenting how to issue firearms to these other categories of individuals – the DFA employee was issued an APD firearm following a request via e-mail from the Range Master.

Individuals in possession of APD-issued firearms who are no longer identified as an APD employee, Reserve Officer, or Arson investigator create a liability for the City of Albuquerque.

According to GFOA, “It is important that related accounting records be compared periodically.” Additionally, “accounting records are good only to the extent that they faithfully reflect underlying facts.”

RECOMMENDATION

APD should:

- Establish and implement SOPs pertaining to the other categories of individuals who may be issued APD firearms (i.e. AFD Arson investigators). At a minimum, the SOP should include the retention of APD firearms (i.e. period of inactivity).
- Develop strict criteria regarding how firearms are to be issued to these individuals.

Periodically, APD should verify the status of individuals who have been issued APD firearms.

RESPONSE FROM APD

“APD will no longer issue APD owned weapons to individuals not employed by the Department. APD officers that retire or resign and become reserve officers will be required to carry personal weapons rather than having the option of carrying an APD issued weapon. This policy will standardize exit procedures without distinguishing between officers going into the reserve program and those that are not. Restricting the issuance of APD owned and issued weapons to those individuals that still must go through the Department exit process should resolve this issue.”

ESTIMATED COMPLETION DATE

“The procedures have already been implemented.”

3. APD SHOULD REQUIRE ALL FIREARM PURCHASES TO BE SENT DIRECTLY TO THE PROPERTY CONTROL UNIT.

Shipments of firearms are not all sent directly to the Property Control Unit.

The APD Property Control Unit may not be notified of firearms purchased with grant funds and shipped to an alternate address.

OIA identified one invoice in which six rifles were purchased and not shipped directly to the Property Control Unit. In addition, none of the rifles were listed in the Quartermaster database.

If the Property Control Unit is unaware of firearms purchases, the Unit is unable to properly inventory and account for the firearms. Not having an accurate inventory of APD firearms may subject the Department to significant liability.

Per APD Administrative Order 3-75:

Department Property is to properly inventory all department property and to hold all personnel accountable for property issued to them. The Finance and Property Management Division [Property Control Unit] is designated as the centralized point for procurement and requisitioning of department property, the issuance of department property to authorized users, and is responsible for overseeing that department property is maintained in a state of operational readiness.

RECOMMENDATION

APD should require that all firearm shipments be sent directly to the Property Control Unit. This will enable the Unit to accurately account for firearms inventory.

RESPONSE FROM APD

“APD will require that all firearm shipments be sent to the fixed assets receiving area and forwarded to the property unit to be entered into the Quartermaster system before being distributed to the end user.”

ESTIMATED COMPLETION DATE

“The procedure has already been implemented.”

4. APD SHOULD ESTABLISH ADEQUATE SEPARATION OF DUTIES WITHIN THE PROPERTY CONTROL UNIT.

The Property Control Unit does not have adequate separation of duties with regard to the issuance, receipt, and tracking of firearms.

Due to staff limitations, all employees of the Property Control Unit are permitted to issue, receive, and inventory firearms. Additionally, all employees have authorization to make changes in the Quartermaster database.

Inadequate separation of duties pertaining to firearms creates an unnecessary liability and lack of accountability for the Department as well as the employees, should discrepancies arise.

According to GFOA, incompatible duties should be separated. GFOA states:

An incompatible duty enables one individual to commit an irregularity and then conceal it in the ordinary course of duties...In practice, three types of functions are commonly considered mutually incompatible: 1) authorization of transactions, 2) record-keeping, and 3) custody of assets. Ideally, then, one person should not be able to authorize a transaction, record the transaction in the accounting records, and maintain custody of the assets resulting from the transaction.

RECOMMENDATION

APD should work with the Property Control Unit to review current operations, determine staffing needs, and establish clear separation of duties among employees.

RESPONSE FROM APD

“Meaningful separation of duties in a two person location is difficult. Several additional internal controls have been designed to minimize the risk associated with inadequate separation of duties. The system is not paperless. In order to issue or receive a firearm, the employee returning or receiving the firearm should sign a document acknowledging and authorizing the transaction. All transactions should be authorized and documented with a signature from someone not associated with the property unit. Property cards are also reviewed and compared to the equipment assigned to an officer by the officer’s supervisor. The inventory required in the response to recommendation number 1 will complete a 100% review and will be completed and reconciled by individuals outside of the property unit. So a number of compensating internal controls have been implemented to mitigate the lack of separation of duties, primarily by restricting the property unit’s ability to authorize transactions. APD will request additional personnel in the next budget cycle to further address the separation of duties issue.”

ESTIMATED COMPLETION DATE

“The estimated completion date is February 28, 2013.”

5. APD SHOULD REVIEW AND STRENGTHEN THE ELECTRONIC CONTROLS OF THE QUARTERMASTER DATABASE.

Currently, the electronic controls of the Quartermaster database do not require password complexity or mandatory password changes. Additionally, passwords may be reused.

APD has not reviewed the strength of the electronic controls of the Quartermaster database. Without adequate electronic controls, it may be possible for unauthorized users to gain access and impair the data integrity of APD's Quartermaster database.

According to the City of Albuquerque, Information Technology Department Policies and Standards,

At a minimum:

- Passwords shall contain at least eight characters including a number or special character.
- Passwords shall be set to expire in 90 days.
- Passwords shall not be reused for three cycles or one year.
- Accounts shall be locked after 5 unsuccessful attempts.
- When possible, Active Directory is to be used for system authentication.
- It is recommended that passwords should not contain words that can easily be guessed like "password", your child's name, your dog's name, etc. and should not be written down in an accessible location.

RECOMMENDATION

APD should work with its IT Department to review and strengthen the electronic controls of the Quartermaster database.

RESPONSE FROM APD

“The Quartermaster system does not have a robust security feature. It is an off the shelf system that fit within our budget criteria and met the minimum specifications of what we needed it to do. APD did implement a compensating internal control. Physical access to computers is restricted at the locations that have access to the software. The property unit will ask for a review and suggestions from the APD IT division.”

ESTIMATED COMPLETION DATE

“The estimated completion date is September 30, 2012.”

6. APD SHOULD CONDUCT A FULL FIREARM VERIFICATION OF EACH OFFICER’S FILE AT THE RANGE DURING THE ANNUAL QUALIFICATION.

Of the 12 officers selected who carry personal firearms for duty purposes, one officer’s file at the Range did not have the necessary authorization form (PD-2430) for two firearms (firearms #1 & #2) or proof of qualification information for two firearms (firearms #2 & #3). Subsequent to OIA’s audit testwork, the Range obtained a copy of the missing authorization forms. Additionally, the missing qualification information for one firearm had been erroneously recorded as “practice” rather than the official qualification but has subsequently been corrected.

A copy of the necessary authorization form was not forwarded to the Range for retention. The missing qualification records however, may be because the officer did not qualify with a personal firearm carried for duty purposes or the result of recording errors at the Range.

Failure to qualify with a weapon that is carried for duty purposes exposes the public, officer, and the Department to greater liability should the officer be involved in a shooting. There is increased liability to APD when the proper authorization form, granting permission to carry the weapon, is not on file at the Range.

According to APD Procedural Order 2-22-2 (B) and 2-22-2 (D)(7) “Officers must have written authorization for any firearm carried on-duty...” and “the officer will return the form [PD-2430] to the Range Master who will maintain it in the officer’s file.” Per APD Procedural Order 2-22-5 (A) “Officers shall qualify each calendar year with every firearm currently carried on duty, off duty, or as a backup.”

RECOMMENDATION

APD should require the Range to conduct a full verification of the officers’ files during the annual qualification. This will help ensure that all required forms are on file and that officers have qualified with any weapon carried for duty purposes. Additionally, any recording mistakes of qualifications would be discovered and corrected in a timely manner.

RESPONSE FROM APD

“The officer had, in fact, followed correct procedures and qualified with all of the weapons that she carried. This was a recording error at the range. APD will implement an electronic tracking system to replace the manual system currently used by range personnel in order to reduce recording errors. This database will list all officers, the weapons that they are authorized to carry and information on their qualifying tests. This will help ensure that all required forms are on file and that officers have qualified with any weapon carried for duty purposes.”

ESTIMATED COMPLETION DATE

“The estimated completion date is March 31, 2013.”

7. APD SHOULD ENSURE THAT THE NECESSARY FORMS ARE FORWARDED TO THE PROPERTY CONTROL UNIT.

The Property Control Unit does not receive Forms PD 3003 “Issued Equipment Inspection Report” bi-annually in March and September following the line inspections. (Line inspections are conducted semiannually and involve the inspection of an officer’s appearance, safety equipment, firearms, vehicles, property, etc.).

Commanders do not forward the forms to the Property Control Unit; however, the Property Control Unit does not contact the Commanders when the forms are not received.

Not forwarding completed Forms PD 3003 to the Property Control Unit prevents the Unit from conducting a bi-annual verification of property cards.

APD Administrative Order 3-75-8 C states:

Upon completion of the inspection form, each commander will retain copies for their files, until completion of the next inspection. Area commanders will forward the originals to Operations Review. All other commanders will forward the originals to the Property/Inventory Section.

1. Operations Review will account for all Field Services inspection forms and forward the originals to the Property Unit.
2. The original inspection forms will be retained in the Property/Inventory Section.

RECOMMENDATION

APD should ensure that Forms PD-3003 are forwarded to the Property Control Unit bi-annually in March and September. This will provide the Property Control Unit additional documentation with which to compare the Quartermaster database and corresponding Property Card.

RESPONSE FROM APD

“APD agrees that the original forms should be forwarded to and maintained in the property unit. APD will implement an online site for the maintenance of completed PD 3003 forms to improve the exchange of information and the verification of inventory data. Online forms will also reduce the occurrence of errors due to manual processes.”

ESTIMATED COMPLETION DATE

“The estimated completion date is March 31, 2013.”

8. APD SHOULD AMEND THE SOPs TO CLARIFY THE TEMPORARY ISSUANCE OF FIREARMS.

Documentation is not maintained when the Range temporarily issues firearms. The Property Control Unit is not notified of firearms issued from the Range. In addition, the SOPs are unclear regarding the temporary issuance of firearms.

Without documentation for the temporary issuance of firearms, the Department’s records are not accurate thereby exposing APD to unnecessary liability.

According to Administrative Order 3-75-9 (B) “When officers have their Department issued equipment damaged or stolen, they shall contact their chain of command for immediate replacement of those items...These items will be on a temporary loan basis only, and will be documented and properly receipted by the Property Unit.”

Administrative Order 3-75-11 (B) states, “Employees will report all equipment changes to the Property/Inventory Section within five working days for the purpose of updating their individual property cards.”

RECOMMENDATION

APD should:

- Amend the SOPs to clarify the procedures and associated responsibility for the issuance of temporarily issued firearms,
- Require the Range to utilize a form that will document the issuance/return date, the officer's name, and the serial number of the temporarily issued firearm.
- The Range should notify the Property Control Unit prior to the temporary issuance of a firearm. This will enable the Department to have accurate documentation regarding the location of all firearms at all times.

RESPONSE FROM APD

“APD has created a new form, PD-2437, to track and transmit information on the issuance of temporary firearms by the firearms training unit to the property unit. In addition, APD will also make visible modifications to temporary weapons to identify them as temporary weapons. Officers will be restricted from using temporary weapons on a long term basis. APD will amend the SOPs to clarify the procedures and associated responsibility for the issuance of temporarily issued firearms.”

ESTIMATED COMPLETION DATE

“The procedure for tracking weapons has already been changed. The modification to the SOP and to the temporary weapons will be implemented by September 30, 2012.”

9. APD SHOULD REVIEW AND CLARIFY SOPs REGARDING OFFICER QUALIFICATION RESPONSIBILITIES FOR PERSONAL FIREARMS.

The SOPs are unclear regarding qualification on personal firearms. As a result, officers do not qualify on personally owned firearms unless the firearms will be carried for duty purposes.

Without clarification, APD officers may be in violation of the SOP. According to APD Procedural Order 2-22-5 (A) & (B) “Officers shall qualify each calendar year with every firearm currently carried on duty, off duty, or as a backup” and “If the handgun carried by an officer meets the specifications of a duty firearm, even if that officer only intends to carry that weapon off duty or in a backup capacity, that officer must qualify with that handgun on both the DPS day and night shoots.”

RECOMMENDATION

APD should review and clarify the SOPs involving personal firearm qualifications.

RESPONSE FROM APD

“APD will review and clarify the SOPs involving personal firearm qualifications.”

ESTIMATED COMPLETION DATE

“The estimated completion date is September 30, 2012.”

CONCLUSION

Based on the findings and recommendations listed in this report, we believe this audit will help APD identify and implement controls needed to improve accountability over firearms and will provide additional safeguards for the Property Control Unit.

We appreciate the assistance and cooperation of the Albuquerque Police Department personnel during the audit.

Contract Auditor

REVIEWED and APPROVED:

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