



Office of the City Controller  
**HOUSTON POLICE DEPARTMENT**  
Property Evidence Room  
Compliance Audit



**Chris Brown**  
City Controller

**Report # 2023-07**

**Courtney Smith**  
City Auditor



**OFFICE OF THE CITY CONTROLLER  
CITY OF HOUSTON  
TEXAS**

**CHRIS B. BROWN**

March 6, 2023

The Honorable Sylvester Turner, Mayor  
City of Houston, Texas

**SUBJECT: REPORT #2023-07 – HOUSTON POLICE DEPARTMENT (HPD) PROPERTY EVIDENCE ROOM  
COMPLIANCE AUDIT**

Mayor Turner:

We have completed a compliance audit of the Houston Police Department's (HPD) property evidence room managed by the HPD's Property Division (Division). The Division manages critical intake, storage, and disposal services of evidentiary property, found items, and prisoner articles for safekeeping in accordance with applicable policies and procedures and the International Association of Property and Evidence (IAPE) standards.

The audit objectives for this engagement were to:

- Evaluate the internal controls and accuracy of the systems used to manage property and evidence, and
- Evaluate compliance with applicable policies and procedures.

The engagement scope covered operations and transactions for fiscal years 2014 through 2020.

During the engagement, we noted that HPD has developed and implemented practical internal policies and procedures, as outlined in HPD's General Orders and Standard Operating Procedures. These policies and procedures allow the department to successfully manage personnel activity while complying with the required state statutes and professional standards.

Over the course of the audit, no findings were identified, however, we observed an opportunity to strengthen internal controls over computer access and enhancing safety in storage locations, as detailed in the Observation section of our report.





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TEXAS

CHRIS B. BROWN

We would like to express our appreciation to the management and staff of HPD for their time, effort, responsiveness, and cooperation during this audit.

Respectfully submitted,

Chris B. Brown  
City Controller

xc: Troy Finner, Police Chief, Houston Police Department  
City Council Members  
Marvalette Hunter, Chief of Staff, Mayor's Office  
William Jones, Chief Business Officer, Director, Finance Department  
Rhonda Smith, Deputy Director, Houston Police Department  
Lt. Michelle Chavez, Houston Police Department  
Shannan Nobles, Chief Deputy City Controller, Office of the City Controller  
Courtney Smith, City Auditor, Office of the City Controller

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## Introduction

We have completed a compliance audit of the Houston Police Department (HPD) property evidence room. HPD's Property Division (Division) is responsible for management of the property evidence room. The audit was included in the Annual Audit Plan for fiscal year (FY) 2021.

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## Background

Each day in the City of Houston (City), both civilian and classified members of HPD perform their duties as part of a system of justice to enforce laws, preserve the peace, reduce fear and provide for a safe environment as expressed in the department's mission statement. HPD employees may be deployed in patrol, investigative operations, special operations or administrative support positions to achieve those goals. The property evidence room plays a vital role in the achievement of HPD's departmental mission. The Division is responsible for providing information in the form of evidence to the judicial system as authorized by Article III of the United States Constitution<sup>1</sup> and is charged with accepting, preserving and managing evidence related to the patrol, investigative and special operations work performed by HPD. Items held in the property evidence room can be evidentiary property, found items and prisoner articles. Evidence is provided to prosecutors working in Harris County and Houston Municipal courts. Proper management and preservation of evidence is essential to the successful administration and delivery of justice in cases brought before the courts.

The Division's work is guided by internal policies and procedures and international standards established by the International Association of Property and Evidence (IAPE). Division personnel use a login and tracking system to safeguard, monitor and maintain items entrusted to their care.

The Division also works closely with the District Attorney's Office and courts to determine what evidence and property can be processed for disposal.

The Division is organized into three operational units as follows:

### PROPERTY INTAKE

The intake process is a 24/7 operation that features the receipt of evidence and property from law enforcement personnel, creation of an incident report (often referred to as "tagging"), input of the evidence record into a tracking system and preparation of the evidence for proper storage. Tagging the evidence includes labeling and assigning an incident number. Property evidence room personnel enter evidence details into HPD's Evidence Management System (EMS). EMS facilitates the Division's ability to locate items, ensure

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<sup>1</sup> Article III of the U.S. Constitution establishes the judicial branch.

items are properly stored, monitor access to items, as well as monitor the transfer of items. The intake process puts in motion the steps required by HPD to ensure appropriate chain of custody processes take place. Appropriate, documented chain of custody procedures are crucial to court proceedings.

## PROPERTY STORAGE

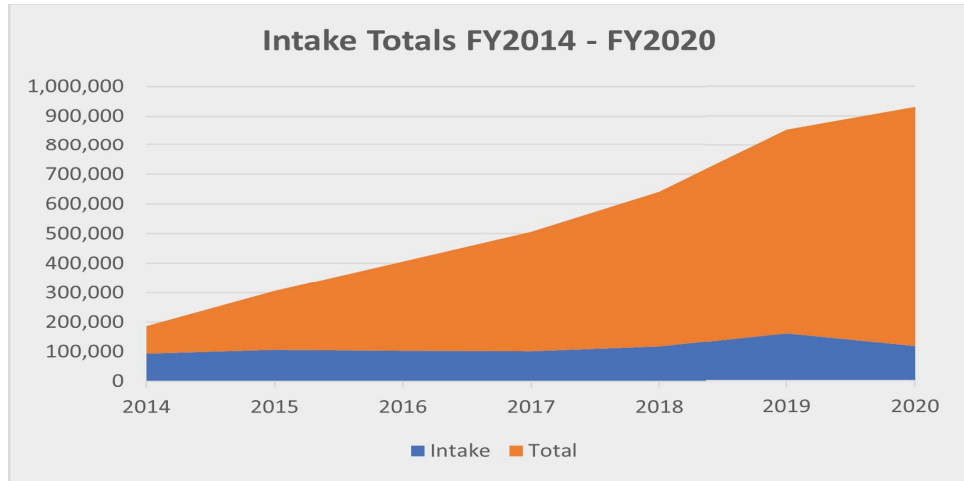
Once the initial intake process is complete, evidence and property items are stored and inventoried using barcoding technology, before being secured in the assigned storage facility until requested for investigative and/or other legal purposes. Three separate storage facilities house items submitted to the property room. Items stored include, but are not limited to, weapons, jewelry, controlled substances, biological evidence, digital evidence, financial instruments and vehicles. The type of evidence dictates where the item is stored to ensure it is properly preserved. Once a stored item meets its statute of limitations requirement or is no longer needed for a case, it can be released from storage using the current disposal process.

## PROPERTY DISPOSITION AND DISPOSAL

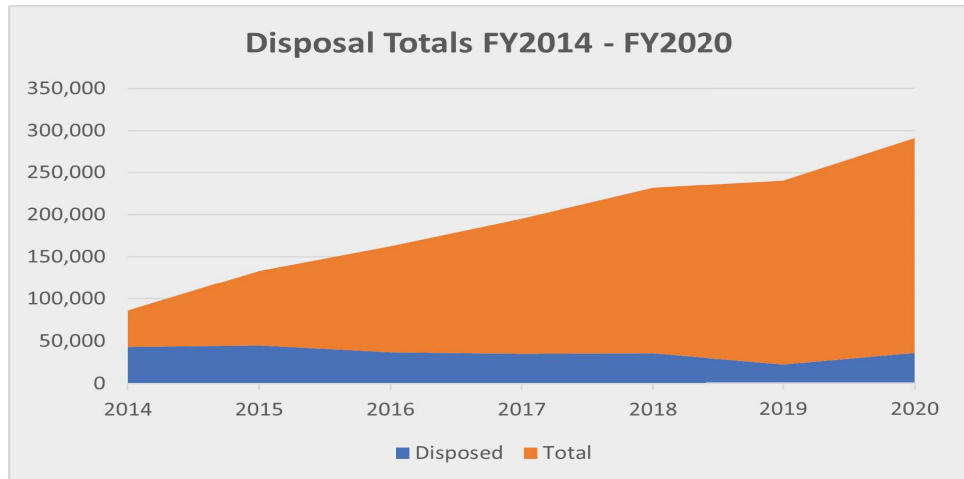
Property disposition and disposal consists of the destruction and/or disposal of general property, weapons, alcohol, narcotics evidence or funds seized by the HPD officer and held in storage. Disposition is authorized by federal and state statutes, General Orders (GOs), court orders and legal ordinances in the manner consistent with Article 18.17 of the Code of Criminal Procedures (Chapter 34 Article VII Houston Code of Ordinances, HPD Standard Operating Procedure (SOP) No. 100/5.00 and No. 200/10.08). Eligible property stored is also disposed through auction using procedures in HPD SOP 200/10.07.

The property room received 808,966 items from FY 2014 through FY 2020. During that same period of time the Division disposed of 254,807 items. Graphical presentations of the number of items received through intake and the number of items disposed during this time period are shown in Graph 1 and Graph 2 on the following page.

**Graph 1**



**Graph 2**



The Division operates the storage facilities from three City locations as follows:

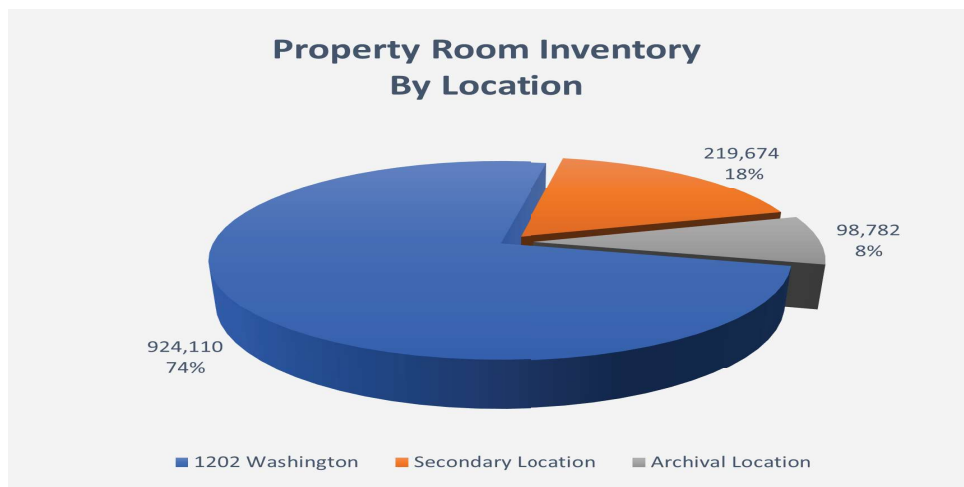
- Washington – The Washington location is the central facility for delivering and retrieving property evidence. This facility is open to law enforcement officers 24/7. Citizens can retrieve personal property at the public counter in this location, however this service is only available during specific business hours.
- Secondary Location<sup>2</sup> – The secondary location receives narcotic evidence and found narcotics. This location provides storage and inventory of evidence and also ensures timely availability of evidence when needed. The Narcotics Evidence Receiving Division (NER) is the section of the Division responsible for operations involving narcotics. NER also

<sup>2</sup> Due to the sensitivity of the items of evidence held, the facility address is not disclosed

oversees the destruction of narcotics evidence per HPD SOP No. 100/2.00.

- Archival Location<sup>3</sup> – This location mostly serves as a historical archive for the storage of old items of property/evidence until destruction/disposal authorization is obtained. Many of these cases are narcotics related that were originally brought into the secondary facility, where they were subjected to the intake process, and subsequently transferred to this location. Transfers are often performed to relieve overcrowding at other facilities.

**Graph 3**



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## Audit Scope and Objectives

The audit objectives for this engagement were to evaluate the internal controls and accuracy of the systems used to manage property and evidence, as well as compliance with applicable policies and procedures. The audit scope covered operations and system applications for managing property and evidence for the property evidence room for FY 2014 through FY 2020.

### INTERNAL CONTROLS SIGNIFICANT TO THE AUDIT OBJECTIVE

Internal controls are processes put in place by management to provide reasonable assurance that the organization's goals and objectives will be achieved. Our work included procedures to identify and assess the internal controls that were significant to the objectives of this audit and determine their effectiveness. In our

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<sup>3</sup> Due to the sensitivity of the items of evidence held at this location, the address of this facility is not disclosed



professional judgement, the following components of internal control were determined to be significant for this audit:

- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

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## Procedures Performed

To obtain sufficient evidence to achieve engagement objectives and support our conclusions, we performed the following steps:

- Obtained and reviewed the Texas Code of Criminal Procedures, Chapter 18, Article 18.17 – Search Warrant and Disposition of Abandoned or Unclaimed Property; IAPE Professional Standards; City Ordinances and Administrative Procedures and HPD GOs and SOPs to gain an understanding of the regulatory and policy framework underlying the objectives of the audit.
- Obtained and reviewed the 2015 Quality Management Systems Report (ISO 9001:2015) performed by the National Quality Assurance Audit Team (NQA) to identify prior findings and recommendation for the Division.
- Obtained a schedule of inventory of items of property and evidence received, stored and disposed during the audit scope period (FY14 – FY20) to verify accuracy in barcoding, descriptions, signatures and authorizations. We performed procedures to reconcile the schedule to information obtained from HPD's Record Management System and the EMS.
- Conducted a physical inventory in each storage facility to verify if items of property and evidence were stolen and/or pilfered and to determine their existence.
- Performed procedures to determine if daily intake reports were performed, items of evidence were received at the correct facility and reports produced from the intake process were submitted timely and accurately.
- Obtained and reviewed EMS and server backup reports and performed procedures to verify data within management systems were not susceptible to unauthorized access.
- Interviewed HPD personnel and management involved in accessing, amending and approving information in EMS to verify if proper authentication, password and deactivation

methods are used to access and maintain the integrity of information in the system.

- Obtained the Division's training requirements and compared with the staff training log to confirm staff received the necessary training to perform their duties.
- Reviewed the Division's organization chart including its functions and operations.
- Administered a questionnaire to management to determine whether there are allegations and instances of management override and collusion among employees.
- Conducted independent research and examined existing documents to determine whether there are instances of management override and employee collusions.
- Inquired whether there are allegations or confirmed instances of items from the property evidence room converted for personal use.
- Conducted a physical inspection to determine if property and/or evidence were properly stored in a manner that minimizes inflammability, perishability and exposure to moisture from weather-related activities, which may result in loss and/or damage to items.
- Performed procedures to determine whether physical access to storage facilities was secure, monitored and only accessible to authorized personnel.
- Obtained and reviewed documentary support of evidence transferred, disposed and/or destroyed to determine whether such actions were properly approved and authorized.
- Examined support documentations in connection with auctioned items of property and/or evidence to determine whether such items were properly authorized and approved. We traced proceeds from auctioned items to the general ledger to determine accuracy and proper recording.

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## Observations

Audit procedures performed did not identify any findings, however, we observed opportunities to strengthen internal controls over computer access as well as enhancing the safety of storage locations.

- I. Former employee access to the computer system was not deactivated in a timely manner.

Computer system safeguards play an important part in keeping property and evidence secure from cybersecurity attacks and

unauthorized access. During the audit, we found no evidence to indicate that the records had been compromised, however we noted an instance where a former employee's access to the computer system had not been deactivated three months following their separation from employment. We recommend that management develop a schedule to deactivate computer access for former employees. The schedule should incorporate a timeline, preferably a three-day period, during which a process to deactivate access to the computer system will be completed. The schedule could be incorporated into the current internal procedures performed when Division personnel leave employment. Additionally, we recommend that a review of systems access be performed to determine whether there are former employees whose access has not been deactivated.

- II. Employees are subject to prolonged and continued exposure to odors from confiscated drugs and other dangerous chemicals.

HPD maintains some hard drugs and other toxic chemical substances as property and evidence in its storage locations. Some of these substances emit odors which may constitute health hazards to employees especially after prolonged and continued exposure. We recommend that management evaluate ventilation in these areas to reduce the possibility of adverse health effects. Further information regarding this observation is included in a confidential memo to management dated March 6, 2023.

- III. Flammable items in storage pose a risk to employee safety, evidence, property and the prosecution of cases.

During the audit, we observed that toxic, hazardous and highly flammable items are maintained as property and evidence at the secondary storage location, some of which are stored near office personnel and administrative functions. While we did not observe any eminent safety issues during the audit, we noted that an incident that ignites a flammable item also risks other property, evidence and employees. We recommend that management evaluate the feasibility of moving these items to a facility with more limited employee and property exposure. Further information regarding this observation is included in a confidential memo to management dated March 6, 2023.

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## Conclusions

We believe we have obtained sufficient and appropriate evidence to adequately support the conclusions provided below as required by professional auditing standards and is aligned with the related audit objective for consistency and reference.

Based on the audit procedures performed, we conclude that the

Division has established sufficient internal controls and ensured accuracy of the system to manage property and evidence, as well as comply with applicable policies and procedures.

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## Audit Standards

We conducted our audit in accordance with Generally Accepted Government Auditing Standards issued by the Government Accountability office (GAO) and the International Standards for the Professional Practice of Internal Auditing as promulgated by the Institute of Internal Auditors. 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 available evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The scope of our work neither constitutes an evaluation of the overall internal control structure of the City nor that of HPD. Accordingly, we do not express opinion on the internal controls established by management. Management is responsible for establishing and maintaining a system of internal controls to ensure that City assets are safeguarded; financial activity is accurately reported and reliable; and management and employees are following laws, regulations, and policies and procedures. The objectives are to provide management with reasonable, but not absolute assurance that the controls are in place and effective.

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## Acknowledgement

We would like to thank the management of HPD for their cooperation, time, and efforts throughout the course of the engagement.

# MANAGEMENT ACKNOWLEDGEMENT STATEMENT



# Exhibit 1

## Acknowledgement Statement

March 3, 2023

Chris B. Brown  
City Controller  
Office of the City Controller

Subject: Compliance Audit of The Houston Police Department (HPD) Property Evidence Room  
Acknowledgement of Management Responses

I acknowledge the receipt of the audit report and the memorandum issued in conjunction with the audit report. Management has reviewed the audit report and issues noted in the memorandum including the recommendations contained therein.

I also understand that this document will become a part of the final audit report that will be posted on the Controller's website.

Sincerely,

DocuSigned by:



Troy Finmer, Chief

Houston Police Department

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**Audit Team**

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Audit reports are available at:

<http://www.houstontx.gov/controller/audit/auditreports.html>