

County of Ventura  
AUDITOR-CONTROLLER  
MEMORANDUM

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To: Michael Powers, Director, Health Care Agency

Date: March 5, 2009

From: Christine L. Cohen

Subject: AUDIT OF MEDICAL EXAMINER'S MANAGEMENT OF DECEDENT PROPERTY

EXECUTIVE SUMMARY

We have completed our audit of the management of decedent property for the Ventura County Medical Examiner (ME). Our overall objective was to evaluate procedures regarding accountability and disposition of decedent property. The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* promulgated by the Institute of Internal Auditors. Our findings are summarized below with details provided in the attached report.

Overall, the ME adequately accounted for and properly transferred accountability for decedent property. For example, procedures for documenting and releasing decedent property to authorized individuals appeared reasonable. In addition, controls over the physical safeguarding of property were sufficient, and the ME had formalized written policies for handling decedent property.

However, opportunities were available to improve some department procedures by:

- Strengthening controls over electronic case file information to better protect decedent property.
- Implementing procedures to ensure that the official decedent property report was as complete and accurate as possible.
- Supporting the rejection of potential vendors for body transportation services with an objective and clear evaluation.

As noted in the attached report, ME management agreed to implement corrective action on only two of the five individual audit findings. Although we believe the ME to be acting in the interest of protecting decedent property, we believe that implementing corrective actions on the remaining three issues would further strengthen internal controls.

We also identified other matters concerning the General Services Agency (GSA) Procurement process that were addressed to GSA in a separate report.

Michael Powers, Director, Health Care Agency

March 5, 2009

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We appreciate the cooperation and assistance extended by you and your staff during this audit.

Attachment

cc: Honorable Steve Bennett, Chair, Board of Supervisors  
Honorable Kathy Long, Vice Chair, Board of Supervisors  
Honorable Linda Parks, Board of Supervisors  
Honorable Peter C. Foy, Board of Supervisors  
Honorable John C. Zaragoza, Board of Supervisors  
Marty Robinson, County Executive Officer  
Dr. Ronald O'Halloran, Ventura County Medical Examiner  
Paul S. Grossgold, Director, GSA

**AUDIT OF MEDICAL EXAMINER'S  
MANAGEMENT OF DECEDENT PROPERTY**

**BACKGROUND:** The Medical Examiner (ME) is mandated to investigate and determine the cause, manner, and circumstances of death in cases defined as reportable by California statutes. Reportable cases include homicides, suicides, accidents, and unexpected natural deaths. Also, the ME is required to maintain documentation and safeguard decedent property taken into possession in accordance with Government Codes 27463.5 and 27491.3(a). From January 2004 through September 2007, the ME investigated over 8,200 deaths. During fiscal year (FY) 2007-08, the ME was allocated 9 authorized positions with a combined budget of \$1.8 million.

**SCOPE:**

Our overall audit objective was to evaluate procedures regarding accountability and disposition of decedent property. Specifically, we:

- Reviewed the decedent property collection process to ensure that property was accounted for properly;
- Determined whether property disposition procedures, including transferring of property to authorized individuals, was adequate;
- Confirmed that physical controls over the safeguarding of decedent property were sufficient; and
- Evaluated the effectiveness and adequacy of policies and procedures specifically related to complaints and conflicts of interest, including the acceptance of gifts from vendors/business affiliates.

Our audit was initiated with an unannounced count of property inventory and review of property safeguards at the ME facility on July 25, 2007.

Although decedent property was turned over to the Public Administrator on occasion as allowed by Probate Code 7600, our audit did not disclose concerns requiring that we expand our audit to the Public Administrator. However, due to issues noted during our audit, procedures were expanded on a limited basis to address procurement concerns relating to the General Services Agency (GSA).

The audit was performed in accordance with the *International Standards for the Professional Practice of Internal Auditing* promulgated by the Institute of Internal Auditors. For our audit, we used documents and records for the period January 2004 through October 2007.

**FINDINGS:**

Overall, we found that the ME adequately accounted for and properly transferred accountability for decedent property. Specifically, we determined that procedures for documenting and releasing decedent property to authorized individuals appeared to be reasonable. For example, ME staff obtained signatures and contact information upon release of decedent property. We also noted that controls over the physical safeguarding of property were sufficient and that the ME formalized written policies for handling decedent property, including guidelines for handling complaints. In addition, we determined that compliance with the County's established gift acceptance policy appeared reasonable.

However, our audit disclosed that certain departmental procedures were in need of improvement. Specifically, we found that controls over electronic case file information needed improvement to better protect the integrity of decedent property. We also noted that procedures were needed to ensure that the official decedent property record was as complete and accurate as possible. Further, our audit disclosed opportunities to improve the ME's support for the rejection of potential vendors.

Summarized below are details of the areas where improvements were needed. Management initiated corrective action during the audit for Findings 1C and 3 below. Management disagreed with all other audit findings.

1. **Coroner/Medical Examiner System.** Use of and controls over the Coroner/Medical Examiner (CME) System, the ME's electronic database of case file information, were in need of improvement to better protect decedent property. Specifically, due to the ME's inability to produce certain CME reports, we were not able to verify that all property currently accounted for in the CME System was still in storage. Also, changes to the CME files were not tracked or authorized by management, and computer access controls were not always sufficient. As a result, decedent files could be susceptible to improper manipulation, placing decedent property at risk.
  - A. **Queries.** The ME was not able to produce property disposition reports from the CME System that were needed for our audit. As a result, our audit procedures were limited because ME staff did not have the ability to perform advanced queries to provide reports that were needed to verify certain information. Specifically, although we were able to trace decedent property in storage to case files, we could not perform independent tests to trace case file information to the property in storage. For example, during our surprise property inventory count, our sample of 7 of the 25 items in storage disclosed that case file information supported that all 7 items appropriately remained in storage. However, for the reverse purpose of verifying that property referenced in the case files was actually in storage, our tests were limited to a random sample of thousands of case files. The five files we selected supported that property had been released and therefore the items were not in storage. However, expanding our sample to locate files referencing items that should have been in storage would have been arduous because of the sheer volume of records. Therefore, we could not reasonably verify that a representative sample of items that should have been in storage were actually in storage. Without the ability to search CME for items that should be in storage, the ME's ability to verify the completeness of the inventory and to detect lost or stolen items was diminished.

**Management Response.** ME management did not agree to implement corrective action and stated: "ME management clarified that the ME case files can be searched manually and they can be searched electronically in CME, however CME is not used for check in / check out procedures. All property stored in the Property Storage room is checked in or out and the action is recorded in the Property Room Log book. Either action requires noting who added or removed the item as well as the initials from a witness on the medical examiner staff. 'Automating' this check in / check out procedure by requiring that this same information also be recorded in CME so that the auditor's requested report could be run would require additional customization and additional staff time, and this would duplicate the data entry already done in the log book. The existing manual system is a double key/double signature system whereby a key possessed only by the Medical Examiner, Management Assistant or Assistant Medical Examiner together with a key possessed only the five Investigators is required to open the two locks on the property room door. Additionally as noted

above, both the investigator adding or removing property and the witness sign the property log book when property items are added or removed.”

**Auditor’s Evaluation of Management Response.** Our finding stems from the internal control perspective that a properly controlled master property inventory list be used by the ME to periodically confirm that decedent property in storage is complete and accurate. During our audit, we understood that property data in CME was considered to be the master inventory, which appeared reasonable and appropriate from an efficiency and technology standpoint. If the Property Room Log book, rather than CME, is used for master inventory purposes, we encourage the ME to explore utilizing the CME System more fully to contribute to the property inventory process. However, regardless of whether a manual or electronic method is used to establish the master inventory, periodic physical inspection and verification of inventory items would provide assurance of the completeness of the inventory.

- B. **Changes.** Although CME has the ability to track changes made to case file documents, such changes were not tracked or authorized by management. As a result, individuals had the ability to alter documents without proper oversight, which could result in misstatement of decedent property. For example, during our review, the case number on an *Inventory of Personal Property* sheet was incorrectly changed in CME in an attempt to respond to an auditor’s inquiry. If the auditor had not alerted ME staff of the error, the CME case file would continue to reflect incorrect information without detection.

**Management Response.** ME management did not agree to implement corrective action and stated: “The signed copy of all official case file documents is considered the official record. Any unsigned drafts, whether in hard copy or electronic copy, are working drafts and as such are subject to change at any time. The CME system is used to automate the preparation of those documents prior to generating the final version that is signed and placed in the official hard copy file or submitted to family, the State, Courts, District Attorney’s office, Sheriff’s Crime Lab, etc. Some of the documents found in the official file come from other sources such as the VCSO crime lab and are never entered into CME as it is not considered the official file. If changes are identified as being necessary after the official copy has been released, those changes are handwritten on the official document by either the Chief Medical Examiner or Assistant Chief Medical Examiner and updated copies are faxed to the appropriate State and County offices. Case file documents in CME are often the work product of more than one ME staff. All have access to CME and all are expected to enter information to complete the case file on each death investigated, as needed. It is expected that ME staff will correct errors and add supplemental information to CME as errors or additional pertinent information are found. Thus, the signed paper in the file is a form of security against inappropriate tampering with digital information in CME and only the signed copy of each of these documents is considered the final approved version. All access to CME for information entry and modification is done by ME staff, with access protected by passwords and the physical location of terminals in the office building. ME staff is authorized by the Chief Medical Examiner to make changes in CME. Management tracking of CME changes beyond what is currently done is not necessary or advisable.”

**Auditor’s Evaluation of Management Response.** We recognize that the signed, hard copy documents are considered the official record. Our finding addresses the controls over the preparation of those documents in CME. If changes to decedent property information can be made

without being tracked, we believe this creates a vulnerability in the system which exposes the property record to improper manipulation before being finalized. Therefore, we encourage ME management to implement procedures for managing changes made to property information in CME to help ensure that adjustments are valid and accurate.

- C. **Access.** Computer access controls were not always properly implemented to safeguard electronic files. Specifically, we noted that computer workstations were not locked by ME staff when not in use with a password protected screensaver as required by the County's *Password Protected Screen Saver Policy*. Therefore, without a password protected screensaver to limit access to the designated computer workstation user, assurance could not be provided that changes to CME case file information were made by the designated user.

**Management Action.** ME management agreed to implement correction action and stated: "ME Management implemented the corrective action as recommended by the Auditor and all PC's in the Medical Examiner's office now have a password protected screensaver in place."

2. **Reconciliation of Decedent Property.** Although we recognize that decedent property may not be reported identically on various ME reports, we found some unexpected inconsistencies during our audit. Decedent property and clothing are recorded on three main reports: *Death Investigation Report*, *Inventory of Personal Property*, and *Autopsy Report*. Our review of six case files disclosed that one *Autopsy Report* did not tie to the *Inventory of Personal Property* when describing decedent property. Specifically, the *Autopsy Report* referenced \$66.93 and "some lotto tickets" found on the decedent, while the *Inventory of Personal Property* listed \$68.08 and no lottery tickets. Because we were informed that the *Inventory of Personal Property* is the official property record, better reconciliation with other ME reports was needed to mitigate the risk of loss or theft.

**Management Response.** ME management did not agree to implement corrective action and stated: "ME management appreciated the observation, however, as explained during the audit, the three reports are not intended to match in their description of assets. Each of the reports serves a different purpose, either for compliance with applicable laws or for operational support of the investigation. The Death Investigative Report may list personal effects on or near the decedent's body at the time of discovery. Some of these personal effects may be provided to next of kin during the body recovery process. The Autopsy Report describes what was found specifically on the body during the autopsy process and this may include additional items, some of which may be soaked in bodily fluids and secretions and subsequently discarded as biohazardous material. The Inventory of Personal Property is the only report that should be considered for asset inventory purposes. It includes items recovered from the field and/or during the autopsy that are subsequently stored at the ME's office. These items are provided to next of kin after verification of identification. Because each of the three reports serves a different function, they should not and in most cases will not match identically in terms of 'assets' listed. Note that in the case of discrepancy cited by the Auditor, the sum of money released to the kin was *more* than the amount described as found on the body during the autopsy. Frankly, counting cash found on a dead body that is often soiled with blood and postmortem body secretions, while wearing double latex gloves for infection control, is difficult. The autopsy report is dictated simultaneous with the autopsy, so errors in the first count of money found in pockets are also recorded. The cash is often re-counted after washing with disinfectant, which may be the explanation for the discrepancy. Regarding the discarded lotto tickets, Dr. O'Halloran accepts full responsibility and acknowledges his

ignorance of the potential value of lotto tickets, never having played lotto or any other State sponsored gambling. This is not an indicator of a systemic problem in the department.”

**Auditor’s Evaluation of Management Response.** We recognize that certain information may not be reported identically due to the nature and purpose of each report. The purpose of our finding was to demonstrate how the property information on the *Inventory of Personal Property* could be called into question without adequate explanation of discrepancies between the three reports. Therefore, we encourage ME management to consider action to strengthen controls over documentation efforts.

3. **Vendor Selection Process.** Opportunities were available to strengthen the ME’s support for the rejection of services with vendors for body transportation services. Specifically, GSA forwarded vendor solicitations to the ME for the ME’s evaluation of the vendors’ ability to meet the ME’s needs. However, although the ME retained some cursory notes on these vendors’ operational resources, the ME’s evaluation did not provide objective, clear rationale for rejection of the potential vendors. The current vendor was awarded the contract nearly 15 years ago in 1994, and the contract amounted to \$99,000 for FY 2007-08. Therefore, the ME’s formal evaluation of other interested vendors would help to support why other vendors were rejected and to avoid the perception of favoritism towards the current vendor.

**Management Action.** ME management agreed to implement corrective action and stated: “ME Management will follow GSA Procurement guidelines as it applies to retaining documentation on vendors.”

**AUDITOR’S EVALUATION OF MANAGEMENT ACTION:** We believe that management action taken for Findings 1C and 3 were responsive to the audit findings, for which management completed corrective action during the audit. Although the ME disagreed with Findings 1A, 1B, and 2, we believe the ME to be acting in the interest of protecting decedent property. Our findings come from an internal control perspective, which we believe could be strengthened by the ME considering action to address these findings.

**ADDITIONAL LIMITED AUDIT PROCEDURES:** Our audit also disclosed other matters that pertained to GSA Procurement, which are presented to ME management in this report for informational purposes only. Specifically, we noted that written, authorized procedures were needed to formalize GSA Procurement’s strategic sourcing model used in determining the need for bid solicitations. We also found that GSA Procurement did not always require agencies/departments to submit documentation supporting the rejection of services with potential vendors. Because these matters were not reflective of or contingent on action taken by the ME, our concerns have been addressed to GSA in a separate report. Therefore, a response from ME management is not required.

We appreciate the cooperation and assistance extended by you and your staff during this audit.