



Audit of the Lincoln County Sheriff's Office's  
Equitable Sharing Program Activities,  
Troy, Missouri



AUDIT DIVISION

24-062

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**APRIL 2024**

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# EXECUTIVE SUMMARY

## Audit of the Lincoln County Sheriff's Office's Equitable Sharing Program Activities, Troy, Missouri

### Objective

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit to assess whether equitably shared revenue has been accounted for properly and used for allowable purposes by the Lincoln County Sheriff's Office (LCSO). This audit covered January 1, 2022, through August 31, 2023.

### Results in Brief

Our audit concluded that LCSO accounted for and used its DOJ equitable sharing funds in accordance with the July 2018 Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies. However, we found LCSO did not have adequate property management controls for equipment purchased with equitable sharing funds.

### Recommendations

Our report includes one recommendation to assist the DOJ Criminal Division, which oversees the DOJ Equitable Sharing Program. We provided our draft report to the Criminal Division and LCSO, and their responses can be found in Appendices 2 and 3, respectively. Our analysis of those responses can be found in Appendix 4.

### Audit Results

Equitable sharing revenues represent a share of the proceeds from the forfeiture of assets seized in the course of certain criminal investigations. LCSO began the audit period with a balance of \$1,257,227. During the audit period, LCSO received \$64,919 in equitable sharing receipts and spent \$1,247,940 in equitable sharing funds, primarily on law enforcement equipment and training.

We found that LCSO adequately supported equitable sharing expenditures and supplemented its law enforcement activities. However, we found deficiencies in LCSO's internal controls for property management.

### Equipment

LCSO did not maintain complete property records in accordance with federal requirements, which includes ensuring records contain certain information such as the source of funding.

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# Introduction

The Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of the equitable sharing funds received by the Lincoln County Sheriff's Office (LCSO) in Troy, Missouri. The objective of the audit was to assess whether equitably shared revenue has been accounted for properly and used for allowable purposes by LCSO. The audit covered January 1, 2022, through August 31, 2023.<sup>1</sup> LCSO began the audit period with a balance of \$1,257,227; and during that period, LCSO received \$64,919 and spent \$1,247,940 in DOJ equitable sharing revenues.

## DOJ Equitable Sharing Program

The Comprehensive Crime Control Act of 1984 authorized the implementation of the DOJ Asset Forfeiture Program (Asset Forfeiture Program). The Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies (Equitable Sharing Guide), issued in July 2018, describes the Asset Forfeiture Program as a nationwide law enforcement initiative that removes the tools of crime from criminal organizations, deprives wrongdoers of the proceeds of their crimes, recovers property that may be used to compensate victims, and deters crime. A key element of the Asset Forfeiture Program is the Equitable Sharing Program.<sup>2</sup> The DOJ Equitable Sharing Program allows any state or local law enforcement agency that directly participated in an investigation or prosecution resulting in a federal forfeiture to request a portion of federally forfeited cash, property, and proceeds.

Although several DOJ agencies are involved in various aspects of the seizure, forfeiture, and disposition of equitable sharing revenues, three DOJ components work together to administer the Equitable Sharing Program – the United States Marshals Service (USMS), the Justice Management Division (JMD), and the Criminal Division's Money Laundering and Asset Recovery Section (MLARS). The USMS is responsible for transferring asset forfeiture funds from DOJ to the receiving state or local agency. JMD manages the Consolidated Asset Tracking System, a database used to track federally seized assets throughout the forfeiture life cycle. Finally, MLARS tracks membership of state and local participants, updates the DOJ Equitable Sharing Program rules and policies, and monitors the allocation and use of equitably shared funds.

State and local law enforcement agencies may receive equitable sharing funds by participating directly with DOJ agencies on investigations that lead to the seizure and forfeiture of property, or by seizing property and requesting one of the DOJ agencies to adopt the seizure and proceed with federal forfeiture. Once the seized assets are forfeited, the assisting state and local law enforcement agencies can request a share of the forfeited assets or a percentage of the proceeds derived from the sale of forfeited assets. Generally, the degree of a state or local agency's direct participation in an investigation determines the equitable share allocated to that agency.

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<sup>1</sup> LCSO's fiscal year begins January 1 and ends December 31.

<sup>2</sup> The U.S. Department of the Treasury also administers a federal asset forfeiture program, which includes participants from Department of Homeland Security components. This audit was limited to equitable sharing revenues received through the DOJ Equitable Sharing Program.

To request a share of seized assets, a state or local law enforcement agency must first become a member of the DOJ Equitable Sharing Program. Agencies become members of the program by signing and submitting an annual Equitable Sharing Agreement and Certification (ESAC) report to MLARS. As part of each annual agreement, officials of participating agencies certify that they will use equitable sharing funds for permissible law enforcement purposes. The Equitable Sharing Guide outlines categories of permissible and impermissible uses for equitable sharing funds and property.

## Lincoln County Sheriff's Office

Lincoln County is located in eastern Missouri along the Mississippi River—spanning 640 square miles. LCSO, located in Troy, Missouri, serves Lincoln County, which has a population of nearly 60,000 residents. As of August 2023, LCSO had a workforce of 95 sworn officers and 11 civilian employees. According to MLARS, LCSO has been a member of the DOJ Equitable Sharing Program since at least 2015.<sup>3</sup> As a county department, LCSO is overseen by a three-member County Commission that acts as the executive body. The County Commission establishes policies and ordinances and approves and adopts the annual budget for all county operations. The Lincoln County Treasurer exercises oversight of all funds and liaisons with the County Commission regarding all financial management matters.

## OIG Audit Approach

We tested LCSO's compliance with what we considered to be the most important conditions of the DOJ Equitable Sharing Program to assess whether it accounted for equitable sharing funds properly and used such revenues for permissible purposes. Unless otherwise stated, we applied the Equitable Sharing Guide as our primary criteria. The Equitable Sharing Guide provides procedures for submitting sharing requests and discusses the proper use of and accounting for equitable sharing assets. To conduct the audit, we tested LCSO's compliance with the following:

- **Equitable Sharing Agreement and Certification Reports** to determine if these documents were complete and accurate.
- **Accounting for equitable sharing resources** to determine whether standard accounting procedures were used to track equitable sharing assets.
- **Use of equitable sharing resources** to determine if equitable sharing cash was used for permissible law enforcement purposes.
- **Compliance with audit requirements** to ensure the accuracy, consistency, and uniformity of audited equitable sharing data.

See Appendix 1 for more information on our objective, scope, and methodology.

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<sup>3</sup> Due to MLARS's data retention policies, MLARS no longer has information prior to 2015.

# Audit Results

## Equitable Sharing Agreement and Certification Reports

Law enforcement agencies who participate in the Equitable Sharing Program are required to submit an Equitable Sharing Agreement and Certification (ESAC) report, on an annual basis, within 2 months after the end of an agency's fiscal year. This must be performed regardless of whether equitable sharing funds were received or maintained that year. If an ESAC is not accepted before the end of the 2-month filing timeframe, the law enforcement agency will be moved into a non-compliance status. Additionally, the ESAC report must be signed by the head of the law enforcement agency and a designated official of the local governing body.

## Completeness, Timeliness, and Accuracy of ESAC Reports

Upon inquiring about any policies or procedures, LCSO provided a policy document for the completion of ESAC reports. According to this document, the Lincoln County Treasurer provides LCSO a detailed report of the prior year's equitable sharing activities, including interest income earned and expenditures by permissible use categories, to prepare the ESAC report. The policy document further states that the ESAC report is reviewed and approved by the Sheriff and a Lincoln County Commissioner prior to submission.

We tested LCSO's compliance with ESAC reporting requirements. In particular, we reviewed LCSO's FY 2022 ESAC report, which was its most recent report, to determine if it was complete, timely, and accurate. Based upon our review, we found that the report was complete, signed by appropriate officials, submitted on time, and accurate.

To verify the accuracy of the FY 2022 ESAC report, we compared the receipts listed on LCSO's FY 2022 ESAC report to the total amounts disbursed according to MLARS' records. LCSO reported having received \$37,798 in DOJ equitable sharing funds during FY 2022, while MLARS' records showed \$64,919 in funds being distributed to LCSO during this time. We determined that this difference was due to LCSO receiving physical checks rather than electronic fund transfers from the U.S. Postal Inspection Service (USPIS) for administrative forfeitures in December 2022 that were not deposited until January 2023.<sup>4</sup> It took 35 days from the date of distribution, per MLARS' records, for the funds to be deposited into LCSO's bank account. However, we are not making a recommendation because LCSO does not have a police officer serving on a USPIS task force any more, and LCSO did not receive any DOJ equitable sharing revenues associated with USPIS administrative forfeitures during FY 2023. Should LCSO elect to participate in a USPIS task force in the future, it should work with MLARS to ensure that any equitable sharing funds it received from the USPIS task force is through electronic funds transfer.

Additionally, entities are required to report the amount of interest income earned during a given reporting period. Based upon our review, we found that LCSO reported \$11,721 in interest income earned, which matched LCSO's bank statements and accounting records. We also compared the total expenditures listed on the ESAC report to LCSO's accounting records and confirmed that the amounts matched.

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<sup>4</sup> Several federal, non-DOJ, agencies participate in the DOJ Equitable Sharing Program, including USPIS.

## **Accounting for Equitable Sharing Resources**

The Equitable Sharing Guide requires the use of standard accounting procedures and internal controls to track DOJ Equitable Sharing Program receipts. This includes establishing a separate revenue account or accounting code for DOJ Equitable Sharing Program proceeds. In addition, agencies must deposit any interest income earned on equitable sharing funds in the same revenue account or under the accounting code established solely for the shared funds and are required to use the eShare portal.<sup>5</sup>

The Lincoln County Treasurer's Office handles all accounting responsibilities for LCSO and uses the county's official accounting software to manage DOJ equitable sharing fund activities. We confirmed that the Lincoln County Treasurer's Office established a separate bank account for the deposit of DOJ equitable sharing funds. We also confirmed that LCSO used separate accounting codes to track the receipt of DOJ equitable sharing funds, as well as the interest income earned on and the expenditure of such funds. We determined that during our scope, LCSO received DOJ equitable sharing revenues totaling \$64,919 to support law enforcement operations. We reviewed all receipts of DOJ equitably shared revenues and found that LCSO properly accounted for and deposited these funds. Additionally, all interest income earned on equitable sharing funds occurred within the same bank account established for DOJ equitable sharing funds, and the interest income earned was recorded to the appropriate accounting code.

## **Equitable Sharing Resources**

The Equitable Sharing Guide requires that equitable sharing funds or tangible property received by state and local agencies be used for law enforcement purposes that directly supplement the appropriated resources of the recipient law enforcement agency. The Equitable Sharing Guide defines permissible uses (e.g., law enforcement equipment and training) and impermissible uses (e.g., loans and purchase of food and beverages) of the funds. In addition, the Equitable Sharing Guide includes a requirement that state and local law enforcement agencies retain all documents and records pertaining to their participation in the DOJ Equitable Sharing Program for a period of at least 5 years.

## **Use of Equitable Sharing Funds**

According to its accounting records, LCSO expended DOJ equitable sharing funds totaling \$1,247,940 during our scope. We judgmentally selected and tested 10 expenditures totaling \$625,358, or 50 percent of the total funds expended, to determine if the expenditures of DOJ equitable sharing funds were permissible and supported by adequate documentation. The transactions in our sample included expenditures for law enforcement equipment and training and education. Based upon our review of the supporting documentation provided by LCSO and our observation of purchased equipment, we determined that the sampled expenditures were supported by adequate documentation and were used in accordance with permissible uses identified in the Equitable Sharing Guide.

## **Tangible Property**

The Equitable Sharing Guide states that participating law enforcement agencies are to maintain and follow written policies for inventory control that comply with the applicable provisions of the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Costs, Principles, and Audit

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<sup>5</sup> The eShare portal enables a participating agency to view the status of its equitable sharing requests and distributions made by DOJ.

Requirements for Federal Awards (Uniform Guidance). According to the Uniform Guidance, agencies acquiring tangible property under a federal award are required to maintain property records that include specific elements, such as a description of the property and the funding source. Additionally, participating agencies must conduct a physical inventory of the property at least once every 2 years.

We obtained LCSO’s asset inventory records and found that it does not contain all elements required by the Uniform Guidance. For example, LCSO’s inventory records do not list the funding source or the condition of the asset. We also reviewed the Lincoln County Fixed Asset Accounting Policy (Fixed Asset Policy), which according to LCSO officials, LCSO is required to follow. Similarly, we determined that the Fixed Asset Policy does not fully cover all Uniform Guidance requirements, such as tracking the funding source of assets and establishing sales procedures. Table 1 lists the specific elements required by the Uniform Guidance and whether LCSO’s fixed asset policy and property records appropriately accounted for these requirements.

**Table 1**

**Summary of LCSO’s Fixed Asset Policy and Record Compliance**

Guideline Requirement	LCSO	Guideline Requirement	LCSO Compliance
Description of the property	<input checked="" type="checkbox"/>	Use and Condition	<input type="checkbox"/>
Serial number or other identification	<input checked="" type="checkbox"/>	Date of disposal or sale	<input checked="" type="checkbox"/>
Source of funding (including Federal Award Identification Number)	<input type="checkbox"/>	Sale price	<input type="checkbox"/>
Who holds title	<input type="checkbox"/>	Inventory taken and reconciled every 2 years	<input checked="" type="checkbox"/>
Acquisition Date	<input checked="" type="checkbox"/>	Control system to prevent loss, damage, or theft of the property	<input checked="" type="checkbox"/>
Cost	<input checked="" type="checkbox"/>	Adequate maintenance procedures to keep property in good condition	<input type="checkbox"/>
Location	<input checked="" type="checkbox"/>	Established sales procedures to ensure high return when selling property	<input type="checkbox"/>

Source: Uniform Guidance, Lincoln County Fixed Asset Accounting Policy, and LCSO’s inventory records.

In addition, we found that the LCSO’s inventory records were not consistent with the Fixed Asset Policy. For example, the policy states upon acquisition, a Lincoln County department must complete and submit a “new asset” form to the County Auditor’s office along with a copy of the invoice and purchase order. Our review found that much of the information required by the form was not included in LCSO’s asset inventory list, such as location and acquisition date. Additionally, while conducting our physical review of tangible property, we found that breathalyzers were inaccurately described as “handheld radar guns” in LCSO’s inventory records. We also tested a sample of tangible property purchased with DOJ equitable sharing funds with a total value of \$802,851 and did not note any significant discrepancies.

Although we did not identify any specific instances where the purchased tangible property we tested was missing, the deficiencies we identified with LCSO’s property records and the Fixed Asset Policy present a risk

that the theft, loss, damage, or disposal of property goes unaccounted. We discussed these issues with LCSO officials, and they told us that they were not fully aware of the Uniform Guidance requirements and acknowledged a need to take corrective action. Therefore, we recommend that the Criminal Division ensure LCSO updates its property management policies and processes to fully comply with OMB's Uniform Guidance requirements and updates its property records based upon those requirements to reflect accurate asset descriptions.

## **Supplanting**

The Equitable Sharing Guide requires that shared resources be used to increase or supplement the resources of the recipient agency and prohibits the use of shared resources to replace or supplant the appropriated resources of the recipient. In other words, the recipient agency must benefit directly from the DOJ equitable sharing funds. To test whether DOJ equitable sharing funds were used to supplement rather than supplant local funding, we interviewed local officials and reviewed Lincoln County's total budgets and LCSO's operational budgets for FYs 2021 through 2023. Based on this work, as well as our transaction testing, we did not identify any indication that LCSO used DOJ equitable sharing funds to supplant its budget.

## **Compliance with Audit Requirements**

The Equitable Sharing Guide requires that state and local law enforcement agencies that receive equitable sharing cash, proceeds, or tangible property comply with the Single Audit Act Amendments of 1996 (Single Audit Act) and the Uniform Guidance. The Single Audit Act provides for recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. Under the Uniform Guidance, such entities that expend \$750,000 or more in federal funds within the entity's fiscal year must have a "single audit" performed annually covering all federal funds expended that year. The Single Audit Report is required to include a Schedule of Expenditures of Federal Awards for the period covered by the auditee's financial statements. In addition, an entity must submit its Single Audit Report no later than 9 months after the end of the fiscal year covered by the audit.

Lincoln County was required to submit a Single Audit Report for FY 2022. To determine if Lincoln County accurately reported DOJ equitable sharing fund expenditures on its Schedule of Expenditures of Federal Awards, we reviewed Lincoln County's FY 2022 Single Audit Report. We found that Lincoln County accurately reported DOJ equitable sharing fund expenditures on the Schedule of Expenditures of Federal Awards as required by the Uniform Guidance. In addition, we noted that Lincoln County's Single Audit Report for FY 2022 did not contain any findings.

## Conclusion and Recommendation

We audited the Lincoln County Sheriff's Office's (LCSO) compliance with what we considered to be the most important conditions of the DOJ Equitable Sharing Program to assess whether LCSO accounted for DOJ equitable sharing funds properly and used such revenues for permissible purposes. Overall, we found that LCSO adequately accounted for its DOJ equitable sharing funds and used those funds for permissible uses identified in the Equitable Sharing Guide. However, we determined that LCSO did not fully comply with property management requirements. Specifically, we found that LCSO's property management records and related policies were not fully compliant with federal requirements. We provide one recommendation to the Criminal Division to address this deficiency.

We recommend that the Criminal Division:

1. Ensure LCSO updates its property management policies and processes to fully comply with OMB's Uniform Guidance requirements and updates its property records based upon those requirements to reflect accurate asset descriptions.

# APPENDIX 1: Objective, Scope, and Methodology

## Objective

The objective of the audit was to assess whether equitably shared revenue has been accounted for properly and used for allowable purposes by the Lincoln County Sheriff's Office (LCSO).

## Scope and Methodology

We conducted this performance 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Our audit concentrated on, but was not limited to, DOJ equitable sharing receipts received by LCSO between January 1, 2022, and August 31, 2023. Our audit was limited to equitable sharing revenues received through the DOJ Equitable Sharing Program. We tested compliance with what we considered to be the most important conditions of the DOJ Equitable Sharing Program. We reviewed laws, regulations, and guidelines governing the accounting for and use of DOJ equitable sharing receipts, including the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies, issued in July 2018. Unless, otherwise stated in our report, the criteria we audited against are contained in these documents.

We performed audit work at LCSO's headquarters located in Troy, Missouri. We interviewed LCSO and Lincoln County officials and examined records, related revenues, and expenditures of DOJ equitable sharing funds. In addition, we relied on computer-generated data contained in the eShare Portal to identify equitably shared revenues awarded to LCSO during the audit period. We did not establish the reliability of the data contained in the eShare Portal as a whole. However, when viewed in context with other available evidence, we believe the opinions, conclusions, and recommendation included in this report are valid.

Our audit specifically evaluated LCSO's compliance with four essential equitable sharing guidelines: (1) Equitable Sharing Agreement and Certification reports, (2) accounting for equitable sharing receipts, (3) the use of equitable sharing funds, and (4) compliance with audit requirements. In planning and performing our audit, we considered internal controls over DOJ equitable sharing receipts established and used by LCSO. However, we did not assess the reliability of Lincoln County's financial management system, or the extent to which the financial management system complied with internal controls, laws, and regulations overall.

In the scope of this audit, LCSO had 24 cash receipts totaling \$64,919 and expended \$1,247,940 in DOJ equitable sharing funds. We reviewed all receipts totaling \$64,919 and a judgmental sample of 10 expenditures totaling \$625,358. To accomplish our audit objective, we performed sample-based testing for evaluating LCSO's use of DOJ equitable sharing funds. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the areas we reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected.

Our audit included an evaluation of LCSO's most recent annual audit. The results of this audit were reported in a Single Audit Report that accompanied Lincoln County's basic financial statements for the year ended December 31, 2022. This Single Audit Report was prepared under the provisions of the Uniform Guidance. We reviewed the independent auditor's assessment, which disclosed no control weaknesses or significant non-compliance issues.

We discussed the results of our review with officials from LCSO and the Lincoln County Treasurer throughout the audit and at a formal exit conference. As appropriate, their input has been included in the relevant sections of the report.

## Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objective. We did not evaluate the internal controls of LCSO to provide assurance on its internal control structure as a whole. LCSO management is responsible for the establishment and maintenance of internal controls in accordance with the Equitable Sharing Guide and Uniform Guidance. Because we do not express an opinion on LCSO's internal control structure as a whole, we offer this statement solely for the information and use of LCSO and the Department of Justice's Criminal Division.<sup>6</sup>

We assessed LCSO management's design, implementation, and operational effectiveness of its internal controls. We reviewed the sufficiency of LCSO's policies and procedures to ensure compliance with the Equitable Sharing Guide requirements. We identified deficiencies that we believe could affect LCSO's ability to operate effectively and efficiently, to correctly state financial information, and to ensure compliance with laws and regulations.

The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to those internal control components and underlying principles that we found significant to the objective of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

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<sup>6</sup> This restriction is not intended to limit the distribution of this report, which is a matter of public record.

# APPENDIX 2: The Criminal Division's Response to the Draft Audit Report



U.S. Department of Justice

Criminal Division

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Money Laundering and Asset Recovery Section

Washington, D.C. 20530

March 12, 2024

## **MEMORANDUM**

TO: Todd A. Anderson, Regional Audit Manager  
Chicago Regional Audit Office  
Office of Inspector General

FROM: R. Matthew Colon, Deputy Chief   
Program Management and Training Unit  
Money Laundering and Asset  
Recovery Section

SUBJECT: DRAFT AUDIT REPORT for the Lincoln County Sheriff's Office's Equitable  
Sharing Program Activities

In a memorandum dated March 8, 2024, your office provided a draft audit report for the Lincoln County Sheriff's Office (LCSO) which included actions necessary for closure of the audit report finding. The Money Laundering and Asset Recovery Section (MLARS) concurs with the finding and recommendations in the draft audit report.

Upon receipt of the final audit report, MLARS will work with LCSO to correct the identified finding.

cc: Louise Duhamel, Acting Assistant Director  
Audit Liaison Group  
Internal Revenue and Evaluation Office  
Justice Management Division

Jessica Schmaus, Audit Liaison  
U.S. Department of Justice  
Criminal Division

Tracey A. Waters  
Audit Liaison Group  
Internal Revenue and Evaluation Office  
Justice Management Division

# APPENDIX 3: The Lincoln County Sherriff's Office's Response to the Draft Audit Report

Lincoln County, Missouri

OFFICE OF THE SHERIFF



Rick Harrell

SHERIFF

"Publicus. Pro populus. Per populus."

March 28, 2024

Todd Anderson  
Regional Audit Manager  
Chicago Regional Audit Office  
Office of the Inspector General  
U.S. Department of Justice  
500 W Madison St. Suite 1121  
Chicago IL 60661

**Response to the Recommendations found during the Audit of the Lincoln County Sheriff's Office Equitable Sharing Program activities from January 1, 2022, through August 31, 2023, by USDOJ.**

*Ensure LCISO updates its property management policies and processes to fully comply with OMB's Uniform Guidance requirements and updates its property records based upon those requirements to reflect accurate asset descriptions.*

LCISO agrees that the inventory tracking did not meet the OMB's Uniform Guidance requirements and will work to update the asset records as needed to meet those requirements. The current asset tracking system utilized by the County, Asset Cloud by WASP, does allow for the required additional information to be added to the records. The County also implemented the program Fleetio, which manages the maintenance schedules, logs, and conditions for all vehicles. We will update all policies to reflect the Uniform Guidance requirements. These updates will be implemented by the end of the 2024 fiscal year.

Respectfully submitted,

  
Rick Harrell  
Lincoln County Sheriff

  
Randy Lambert,  
Lincoln County Chief Deputy

## **APPENDIX 4: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Report**

The OIG provided a draft of this audit report to the Criminal Division and the Lincoln County Sheriff's Office (LCSO). The Criminal Division's response is incorporated in Appendix 2, and LCSO's response is incorporated in Appendix 3 of this final report. In response to our draft audit report, the Criminal Division concurred with our recommendation; and as a result, the status of the audit report is resolved. LCSO also agreed with our recommendation. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

### **Recommendation for the Criminal Division:**

- 1. Ensure LCSO updates its property management policies and processes to fully comply with the Office of Management and Budget's (OMB) Uniform Guidance requirements and updates its property records based upon those requirements to reflect accurate asset descriptions.**

Resolved. The Criminal Division concurred with our recommendation and stated in its response that it will work with LCSO to correct the finding. As a result, this recommendation is resolved.

LCSO agreed with our recommendation. In its response, LCSO stated that its inventory tracking did not comply with OMB's Uniform Guidance requirements and that it will update its inventory records to meet those requirements. LCSO also stated that it intends to update its policies to reflect the OMB Uniform Guidance requirements by the end of fiscal year 2024.

This recommendation can be closed when we receive evidence that LCSO updated its property management policies and processes to fully comply with OMB's Uniform Guidance requirements and updated its property records based upon those requirements to reflect accurate asset descriptions.