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April 30, 2019
LEGISLATIVE AUDITOR
LETTER REPORT

Statewide Firearm Inventory Requirements

GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS STATEMENT

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (**GAGAS**). 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.

LEGISLATIVE AUDITOR'S STAFF CONTRIBUTORS

Aaron Allred..... Legislative Auditor
Justin Robinson..... Director
Adam Fridley, CGAP..... Audit Manager
Nick Hamilton..... Senior Auditor
Rueben Kerns..... Auditor
Nathan Hamilton..... Referencer

WEST VIRGINIA LEGISLATIVE AUDITOR'S OFFICE

Post Audit Division

1900 Kanawha Blvd. East, Room W-329
Charleston, WV 25305-0610
(304) 347-4881



Justin Robinson
Director

April 30, 2019

The Honorable Mitch Carmichael, President
West Virginia State Senate
Post Audits Subcommittee, Co-Chair
Room 229 M, Building 1
State Capitol Complex
Charleston, WV 25305

The Honorable Roger Hanshaw, Speaker
West Virginia House of Delegates
Post Audits Subcommittee, Co-Chair
Room 228 M, Building 1
State Capitol Complex
Charleston, WV 25305

Mr. President and Mr. Speaker:

The Legislative Auditor's review of the West Virginia Public Service Commission's (PSC) inventory and internal controls over its firearms and ammunitions found that the PSC is physically in possession of two firearms owned by the West Virginia Parkways Authority (Parkways). The Legislative Auditor obtained the make, model, and serial number specific to those firearms. The identifying attributes (make, model, and serial number) were checked against the statewide wvOASIS Fixed Asset Inventory Module for firearms. Those firearms in the possession of PSC enforcement officers, issued to those officers by Parkways, **are not in the statewide inventory listing.**

Upon further examination of the statewide wvOASIS firearms inventory, the Legislative Auditor found no firearms listed under the custodianship of Parkways. This may be due, in part, to the fact that the requirement to inventory all firearms exists **only** in the Surplus Property Operations Manual. The requirement to inventory firearms contained in Part I, Section Two, 2.3.1 of the Surplus Property Operations Manual states the following:

2.3.1 Exceptions: Agencies must enter the following commodities into the Fixed Asset Module and will be considered Reportable Assets even if not within the definition of Reportable Assets above:

2.3.1.1 Firearms regardless of the cost. Please make sure all serial numbers are entered correctly.

2.3.1.2 All computers (including laptops and central processing units [CPU]) with an acquisition cost of \$500 or more.

An exemption from the purchasing article of West Virginia Code exempts spending units from the provisions of the Surplus Property Operations Manual, and therefore, the requirement to inventory firearms into the Fixed Asset Module of wvOASIS. The wvOASIS Fixed Asset Inventory Module serves as a centralized record of all state-owned reportable assets. This record serves as an additional layer of accountability and provides transparency as it is a public record of those state-owned assets. Currently, 58 spending units or other entities, including the West Virginia Parkways Authority, are exempt, in whole or in part, from the purchasing requirements and, subsequently, the provisions set forth in the Surplus Property Operations Manual requiring that all firearms be recorded in the wvOASIS Fixed Asset Inventory.

The current wvOASIS listing for firearms includes a total of 4,903 firearms. Table 1 provides the number of firearms inventoried in wvOASIS, by spending unit, as of February 26, 2019.

Table 1 Firearms in wvOASIS, by Spending Unit As of February 26, 2019	
Spending Unit	Firearms
Adjutant General	22
Department of Agriculture	1
Division of Corrections and Rehabilitation	1,177
Division of Forestry	7
Division of Natural Resources	1,538
Division of Protective Services	57
Fire Commission	83
Homeland Security and Emergency Management	2
Insurance Commissioner	27
Joint Expense	1
PSC	85
Regional Jails	10
Supreme Court	5
Veterans Affairs	10
West Virginia State Police	1,878
Total	4,903

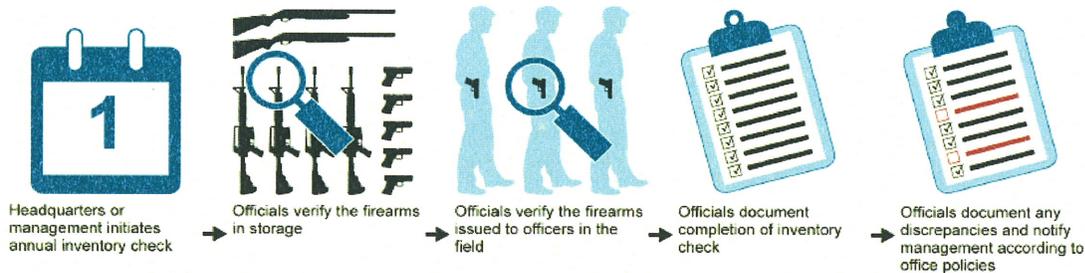
Source: wvOASIS Inventory Listing for Firearms

Of the 4,903 firearms currently inventoried in wvOASIS, 3,071 or approximately 63 percent are owned by purchasing exempt-agencies including the West Virginia State Police (1,878 firearms), the Division of Corrections and Rehabilitation (1,177 firearms), Regional Jails (10), and the Supreme Court (5). Although some spending units that are exempt from the State Purchasing Division's Surplus Property and inventory management requirements do maintain an inventory of firearms in wvOASIS, there is no legal requirement to do so.

In addition, the Legislative Auditor determined that an unquantified number of firearms currently possessed by purchasing-exempt spending units are **not** listed in the statewide wvOASIS inventory listing. During the ongoing audit of Marshall University's inventory, the Legislative Auditor was provided with an internal inventory listing of 43 firearms assigned to the University's campus police force. None of these firearms are in the wvOASIS system, nor does the inventory system list firearms from any institution of higher education.

Inventory controls are a common best practice in the U.S. military and numerous federal law enforcement agencies. According to the *Standards for Internal Control in the Federal Government*, agencies should establish internal controls to secure and safeguard vulnerable assets. A December 2018 report from the U.S. Government Accountability Office evaluated the inventory controls for seven federal law enforcement agencies, collectively possessing over 7,000 firearms, and identified that each agency conducts a firearms inventory at least annually. Figure 2 describes the general process used to verify firearm inventories among federal law enforcement agencies.

Figure 2. Typical Process for Firearms Inventory at Federal Law Enforcement Agencies



The process utilized by federal law enforcement agencies is an established best practice to ensure the proper safeguarding of vulnerable assets such as firearms. Regardless of the inconvenience or cumbersomeness of following such a procedure, the benefits derived from ensuring that all firearms are properly accounted for and secured far outweighs any inconvenience from following such procedure. The additional liability to the state and the citizens of West Virginia potentially caused by an unaccounted-for firearm is far too great to not follow this established best practice.

Conclusion

On at least two occasions—a 1999 preliminary performance review of the West Virginia State Police and more recently in a 2016 audit of the State Fire Marshal—the Legislative Auditor has reported on missing firearms owned by the State or significant deficiencies in a spending unit's

inventory controls over firearms. Missing firearms or deficient inventory and physical controls over state-owned firearms result in a substantial risk of harm to the public safety and liability to the State of West Virginia. It is the opinion of the Legislative Auditor that requiring all State spending units to account for and properly inventory their firearms helps mitigate the risks that these sensitive assets could be subject to loss, misuse, or theft. As a result, the Legislative Auditor makes the following recommendation:

Recommendation

1. The Legislative Auditor recommends that the Legislature consider amending the West Virginia Code to require all spending units maintain a complete and accurate inventory of their firearms in the wvOASIS Fixed Asset Inventory Module.

Respectfully Submitted,



Justin Robinson
Director