

# GENERAL ADMINISTRATION 7.0

## Lost or Stolen State Property -- 7.3

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**Issued:**

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**Revised:**

**Signature:**



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Assistant Commissioner  
Bureau of Health Services

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### **POLICY**

All lost or stolen state property, including tagged assets, supplies, and cash, is to be reported immediately to the Director of the Office of Internal Audit of the Department of Health. In the case of stolen state property, the local law enforcement agency should be notified immediately.

### **APPLICABILITY**

This policy applies to Local Health Department, Regional and Central Office personnel.

### **PURPOSE**

To accurately account for all state property and to ensure prompt reporting of lost or stolen property.

### **PROCEDURE:**

When it is discovered that a property item is missing, the employee making the discovery should conduct an investigation to determine to the best of their ability if the item has been lost or stolen. If the item is thought to have been lost or stolen, the employee should immediately notify the Section Chief or County/Regional Director who should immediately contact the Director of the Office of Internal Audit of the Department of Health and, if stolen, the local law enforcement agency. Central Office personnel, in addition to the procedures

noted above, should notify the Capitol Police and security service located in the building.

If employee misconduct is suspected, the procedures listed above for reporting shortages do not apply. Instead, Section Chiefs or County/Regional Directors should directly report the matter immediately to the Office of Internal Audit. . Determining the nature and extent of losses due to employee misconduct may require further review. Therefore, the Office of Internal Audit must be consulted **before** the employee is notified of the allegation or any disciplinary action is taken.

The Property Officer at the location where the asset is discovered to be missing must complete a Lost or Stolen Property Report, PH-1766. This report must fully document the loss and be completed in its entirety. A copy of the law enforcement agency incident report, (or incident number if the report is not available) if applicable, should be attached. The employee's supervisor must approve the Lost or Stolen Report. A cover memorandum briefly summarizing the information in the report along with the Lost or Stolen Report and other relevant attachments must then be sent to the Director of the Office of Internal Audit with a copy sent to the Director of Central Procurement and Payments of the Department of Health and to the Fiscal Services Section of the Bureau of Health Services.

Address the cover memo to:

Director of the Office of Internal Audit  
11th Floor, Andrew Johnson Tower  
710 James Robertson Parkway  
Nashville, Tennessee 37247-0110

Copy should be sent to:

Director of Fiscal Services  
Bureau of Health Services  
4th Floor Cordell Hull Building  
525 5th Avenue North  
Nashville, TN 37247

The Office of Internal Audit will log the initial notification, track receipt of the "Lost or Stolen Property Report" and related correspondence, and ensure proper reporting to the Comptroller's Office. If the loss is significant or if inherent internal control/procedural deficiencies contributed to the loss, the Office of Internal Audit will conduct a review of the matter in coordination with the Comptroller's Office. The results of this review and appropriate recommendations will be reported to management. Otherwise, the Office of Internal Audit will review the "Lost or Stolen Property Report" for propriety and reasonableness, obtain clarification (if

necessary), and sign the "Office of Audit and Investigations Complete" section to approve removal of the property from the POST inventory system. Once this review has been completed, the approved "Lost or Stolen Property Report" will be forwarded to the Director of Central Procurement of the Department of Health. The Director of Central Procurement shall then effectuate removal of the property from the POST inventory system through communication with the Department of General Services, Asset Management Section

If the item which has been reported lost is subsequently located, notify the Director of Central Procurement of Health to ensure proper reporting to Asset Management for reinstatement to the department inventory listing. The Director of Central Procurement shall immediately notify the Office of Internal Audit and Investigations that the item has been located.

### NECESSARY FORM

Lost or Stolen Property Report, PH-1766 (Revised 02/01)

### REFERENCE DOCUMENTS

■ T.C.A. 8-19-501.

■ *Procedures for Reporting Lost or Stolen Property, Office of Audit and Investigations, January 2001.*

### OFFICE OF PRIMARY RESPONSIBILITY

Fiscal Services Section, Bureau of Health Services, (615)741-7305

**Table 1 - Who to Contact for Lost or Stolen Property**

Item	Item Location	Evidence Questionable (Note 1)	Clear Evidence (Note 2)	First Contact (Note 3)	Second Contact	Third Contact	Fourth Contact
Lost Item	Central Office	NA	NA	Section Chief	Internal Audit	HSA Fiscal Services	
	Regional Offices	NA	NA	Regional Director	Internal Audit	HSA Fiscal Services	
	County Health Depts.	NA	NA	County Director	Regional Director (Note 3)	Internal Audit	HSA Fiscal Services
Stolen Item	Central Office	✓		Section Chief	Internal Audit	HSA Fiscal Services	Others as suggested by Internal Audit
			✓	Section Chief	Metro Police Dept AND Capital Police AND Building Security	Internal Audit	HSA Fiscal Services
	Regional Offices	✓		Regional Director	Internal Audit	HSA Fiscal Services	Others as suggested by Internal Audit
			✓	Regional Director	Local Law Enforcement	Internal Audit	HSA Fiscal Services
	County Health	✓		County Director	Regional Director AND Internal Audit	Others as suggested by	HSA Fiscal Services

	Depts					Internal Audit	
			✓	County Director	Local Law Enforcement	Internal Audit	Regional Director (Note 3) <b>AND</b> HSA Fiscal Services

■ **Note 1:** Use this if circumstances surrounding the item's disappearance are questionable.

■ **Note 2:** Use this if there is clear evidence that the item has been stolen.

■ **Note 3:** If management cannot be reached proceed to the next contact.