



Specialty License Plate Audit
State of Florida Association of Police
Athletic/Activities Leagues, Inc. – Police Athletic League
Audit Report 201314-14

April 4, 2014

Executive Summary

The purpose of this audit was to determine compliance with applicable laws, policies, and regulations related to the annual affidavit reports prepared by the State of Florida Association of Police Athletic/Activities Leagues, Inc. (Association) for the Police Athletic League (PAL) specialty license plate. The Association is required to submit a Specialty License Plate Revenue, Expenditure, and Compliance Affidavit to the Department of Highway Safety and Motor Vehicles (Department) within nine months after the end of the Association's fiscal year. The most recent affidavit the Association submitted, for the 2013 Fiscal Year ended March 31, 2013, was used for this audit.

For every PAL specialty license plate sold or renewed, a \$20 annual use fee is charged and distributed, as required by statute, to the Association, a non-profit organization established to fund and conduct youth programs. Section 320.08058(15)(b), Florida Statutes (F.S.), specifies that up to 10 percent of the annual use fees distributed to the Association may be used for marketing and promotion of the Police Athletic League license plate, and up to 15 percent for administrative costs. The remaining funds shall be used for funding its youth programs by providing educational materials, athletic equipment, transportation, food, medical checkups, counseling, scholarships, and other direct expenses incurred by the league in conducting its youth programs.

During our audit, we determined that the Association generally complied with applicable laws, policies, and regulations related to the annual affidavits.



Background and Introduction

Specialty license plates are license plates available to the general public with unique designs that promote philanthropic and other causes and require payment of an additional annual use fee. Section 320.08056, F.S., authorizes the issuance of all specialty license plates and specifies the annual use fee for the more than 120 specialty license plates Florida offers.

Section 320.08062, F.S., grants the Department authority to examine all records relating to the use of specialty license plate funds. The Office of Inspector General included the examination of specialty license plate recipient organizations in its annual work plan.

The PAL specialty license plate was enacted in 1996. For every PAL specialty license plate sold or renewed, a \$20 annual use fee is charged and distributed, as required by statute, to the Association, a non-profit organization established to fund and conduct youth programs.

Section 320.08058(15)(b), Florida Statutes (F.S.), specifies that up to 10 percent of the annual use fees distributed to the Association may be used for marketing and promotion of the Police Athletic League license plate, and up to 15 percent for administrative costs. The remaining funds shall be used for funding its youth programs by providing educational materials, athletic equipment, transportation, food, medical checkups, counseling, scholarships, and other direct expenses incurred by the league in conducting its youth programs.

The affidavit submitted by the Association for the 2013 Fiscal Year, as well as the Association's financial records for the 2013 Fiscal Year, were used for this audit.

The Association received \$286,118.47 in specialty license plate fees for the 2013 Fiscal Year.

Results of Audit

During our audit, we determined that the Association generally complied with applicable laws, policies, and regulations related to the annual affidavits for the PAL specialty license plate.

Purpose, Scope, and Methodology

The purpose of this audit was to determine the Association's compliance with applicable laws, policies, and regulations related to the annual affidavit reports prepared by the Association for the PAL specialty license plate.

The scope of this audit included revenues and expenditures reported on the Association's affidavit for the 2013 Fiscal Year, and specialty license plate revenue and expenditures reported in the Association's financial records for the 2013 Fiscal Year.

The methodology included:

- Reviewing Florida Statutes related to specialty license plate fees;
- Reviewing Department policies and procedures related to specialty license plate fees;
- Reviewing the Association's policies and procedures related to the use of specialty license plate fees;
- Reconciling the Department distribution of annual use fees to revenues reported on the affidavit filed by the Association;
- Reconciling the expenditures reported on the affidavit to the Association's financial records;
- Reviewing the Association's fund use to ensure there is adequate supporting documentation, and that the expenditures are for purposes authorized by statute;
- Reviewing timing, availability, and content of reports such as affidavits, single audits, or sub recipient monitoring; and
- Comparing expenditures related to distributions and annual allocation limits for compliance with Section 320.08058(15)(b), F.S., and reviewing reasonableness of balances.



Distribution, Statement of Accordance, and Project Team

Distribution

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Melinda M. Miguel, Chief Inspector General
David W. Martin, Auditor General

Statement of Accordance

Section 20.055, Florida Statutes, requires the Florida Department of Highway Safety and Motor Vehicles' Inspector General to review, evaluate, and report on policies, plans, procedures, accounting, financial, and other operations of the Department and to recommend improvements. This audit engagement was conducted in accordance with applicable *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors and *Principles and Standards for Offices of Inspector General* published by the Association of Inspectors General.

Project Team

Engagement conducted by:
Cindy Fernald, Auditor

Under the supervision of:
David Ulewicz, Audit Director

Approved by:


Julie M. Leftheris, Inspector General