



## FHP Information and Evidence Funds

Audit Report 201415-26

May 4, 2015

### Executive Summary

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The Florida Highway Patrol's Bureau of Criminal Investigations and Intelligence (BCII) is responsible for the use and maintenance of an Information and Evidence (I and E) Fund. This fund is available to investigators to purchase materials as evidence or pay confidential sources for information that could otherwise be unavailable.

The purpose of this audit was to evaluate the internal controls over the I and E Fund and compliance with Florida Statutes, Florida Administrative Code, and Department policies and procedures. The scope of this audit included a review of documentation supporting I and E Fund deposits and expenditures for the third quarter of the 2014-15 Fiscal Year (January, February, and March 2015).

Based on our examination of I and E Fund transactions for the quarter ended March 2015, the Florida Highway Patrol's BCII maintained, in all material respects, effective internal controls for the I and E Fund and operated the I and E Fund in compliance with applicable laws and Department policies and procedures.

During our audit, we determined the bank signature card had not been updated to reflect recent staffing changes. Florida Highway Patrol's BCII generally agreed with the finding and recommendations and has implemented corrective action.

## Background and Introduction

The purpose of this audit was to evaluate the internal controls over the I and E Fund and to determine if the fund is used in compliance with Florida Statutes, Florida Administrative Code, and Department policies and procedures for the third quarter of the 2014-15 Fiscal Year (January, February, and March 2015).

In accordance with Section 925.055, Florida Statutes, the Florida Highway Patrol's BCII Policy 9.01 establishes guidelines for the use and accountability of the Florida Highway Patrol I and E Fund. This policy authorizes the purchase of information or physical evidence relating to criminal activity and requires a quarterly report of the I and E Fund transactions.

The authorized maximum amount for this fund is \$5,000.

Information and Evidence Fund Summary	
Quarter Ended March 2015	
<b>Beginning Balance</b>	<b>\$4,782.00</b>
Receipts	\$20.27
Disbursements	\$61.50
<b>Ending Balance</b>	<b>\$4,740.77</b>

## Findings and Recommendations

Our audit identified the following issue which requires management attention:

### *Bank Signature Card*

BCII Policy 9.01.04(E) states that The Bureau Commander and Assistant Bureau Commander, the Deputy Director of Special Operations, and the Director of the Florida Highway Patrol will be the only persons authorized to write checks from the I and E Fund. Their signatures will be documented on a signature card maintained by the bank.

During our review, we were unable to obtain an up-to-date copy of the bank signature card. In October of 2014, the Assistant Bureau Commander was transferred to Troop B



and a new Assistant Bureau Commander was appointed. When inquiring about an updated bank signature card to reflect this staffing change, we were informed that because the Director of the Florida Highway Patrol is retiring soon, the bank signature card will not be updated until a new Director is appointed. Because the bank signature card was not updated when staffing changes occurred over six months ago, the old Assistant Bureau Commander still has authority to sign checks and the new Assistant Bureau Commander is not listed with the bank as authorized to sign checks.

## **Finding 1**

The bank signature card has not been updated to reflect recent staffing changes.

## **Recommendations**

We recommend the BCII update the bank signature card to reflect the recent staffing changes.

We also recommend the BCII ensure the bank signature card is updated in a timely manner when staffing changes occur.

## **Management Response**

The Bureau of Criminal Investigations and Intelligence concurs with the recommendations of the Office of Inspector General and updated the bank signature card on April 28, 2015.

## **Purpose, Scope, and Methodology**

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The purpose of this audit was to evaluate the internal controls over the I and E Fund, and compliance with Florida Statutes, Florida Administrative Code, and Department policies and procedures.

The scope of this audit included a review of documentation supporting the deposits and expenditures of the fund for the third quarter of the 2014-15 Fiscal Year (January, February, and March 2015).

Our methodology included:

- Reconciling the bank account;
- Tracing all account activity from the I and E Fund Quarterly Report to the bank statements;
- Reviewing documentation related to expenditures and deposits; and
- Verifying interest earned was forwarded to the Department of Financial Services.

## Distribution, Statement of Accordance, and Project Team

### Distribution

Terry L. Rhodes, Executive Director  
Diana Vaughn, Deputy Executive Director  
Leslie Palmer, Chief of Staff  
Colonel David Brierton, Director of Florida Highway Patrol  
Lt. Colonel Ernesto Duarte, Deputy Director of Special Services  
Major Joe Lopez, Bureau of Criminal Investigations and Intelligence  
Major Diane Russo, Office of Strategic Services  
Nancy McArthur, Accreditation Team Leader

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:  
Keaton Wilson, Auditor

Under the supervision of:  
David Ulewicz, Audit Director

Approved by:

  
Julie M. Leftheris, Inspector General

## ATTACHMENT - Management Response



Terry L. Rhodes  
Executive Director

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Tallahassee, Florida 32399-0500  
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### MEMORANDUM

DATE: April 28, 2015

TO: David Ulewicz, Audit Director

Cc: Keaton Wilson, Auditor

FROM: Major Joe Lopez

SUBJECT: Management Response to the FHP Information and Evidence Funds Third Quarter Audit (201415-26)

The following is our response to the findings and recommendations presented in the report.

#### *Bank Signature Card*

BCII Policy 9.01.04(E) states that The Bureau Commander and Assistant Bureau Commander, the Deputy Director of Special Operations, and the Director of the Florida Highway Patrol will be the only persons authorized to write checks from the I & E Fund. Their signatures will be documented on a signature card maintained by the bank.

During our review, OIG staff was unable to obtain an up-to-date copy of the bank signature card. In October of 2014, the Assistant Bureau Commander was transferred to Troop B and a new Assistant Bureau Commander was appointed. When inquiring about an updated bank signature card to reflect this staffing change, we were informed that because the Director of the Florida Highway Patrol is retiring soon, the bank signature card will not be updated until a new Director is appointed. Because the bank signature card was not updated when staffing changes occurred over six months ago, the old Assistant Bureau Commander still has authority to sign checks and the new Assistant Bureau Commander is not listed with the bank as authorized to sign checks.

#### **Finding 1**

The bank signature card has not been updated to reflect recent staffing changes.

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**Recommendation**

We recommend the BCII update the bank signature card to reflect the recent staffing changes.

We also recommend the BCII ensure the bank signature card is updated in a timely manner when staffing changes occur.

**Management Response**

Yes, I concur with the recommendations. The recommendation of updating the signature card has been implemented on April 28, 2015. Attached you will find the updated signature card and email sent from Bureau of Funds Management Division of Treasury acknowledging the change.