



FHP Information and Evidence Funds

Audit Report 201314-31

June 16, 2014

Executive Summary

The Florida Highway Patrol's (FHP) Bureau of Criminal Investigations and Intelligence 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 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 2013-14 Fiscal Year (January, February, and March 2014).

Based on our examination of I and E Fund transactions for the quarter ended March 2014, the FHP's Bureau of Criminal Investigations and Intelligence 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 revised FHP Bureau of Criminal Investigations and Intelligence Policy 9.01, dated March 10, 2014, still does not establish clearly defined procedures for documenting partially expended funds in an ongoing investigation. A finding related to this issue was previously included in Report 201314-15.

The FHP's Bureau of Criminal Investigations and Intelligence generally agreed with the finding and recommendation and has begun corrective action.



Background and Introduction

The purpose of this audit was to evaluate the internal controls over the I and E Fund, and compliance with Florida Statutes and Department policies and procedures for the third quarter of the 2013-14 Fiscal Year (January, February, and March 2014).

In accordance with Section 925.055, Florida Statutes, the FHP Bureau of Criminal Investigations and Intelligence Policy 9.01 establishes guidelines for the use and accountability of the Florida Highway Patrol I and E Fund. The 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 2014	
Beginning Balance	\$5,000.00
Receipts	\$10.24
Disbursements	\$170.24
Ending Balance	\$4,840.00

Findings and Recommendations

Our audit identified the following issue which requires management attention:

Partially Expended Funds

FHP Bureau of Criminal Investigations and Intelligence Policy 9.01, dated March 10, 2014, states the following:

Expenditure of Information and Evidence Funds: Within fourteen days of the receipt of confidential expenditures, the Investigator must complete the "Expenditure of Information and Evidence Funds" form, to include, the amount and purpose of payment; the Investigator's name; informant's name, if any; information or material purchased; a brief, specific account of how the funds were expended and the results obtained; the date and case number. Any unused funds, **including partially expended funds** will be returned to GHQ with the expenditure form (Addendum 9.01 - 3) **within the investigation report**. Invoices or receipts for equipment purchased will be attached to the Expenditure of Information and Evidence Funds form.

The revised FHP Bureau of Criminal Investigations and Intelligence Policy 9.01, dated March 10, 2014, still does not establish clearly defined procedures for documenting partially expended funds in an ongoing investigation. A finding related to this issue was included in Report 201314-15.

Finding 1

FHP Bureau of Criminal Investigations and Intelligence Policy 9.01 does not include a clearly defined process to document partially expended funds during the course of an investigation.

Recommendation

We recommend the Bureau of Criminal Investigations and Intelligence revise FHP Bureau of Criminal Investigations and Intelligence Policy 9.01 to establish clearly defined procedures to include a process for documenting partially expended funds in an ongoing investigation.

Management Response

A draft of the revisions made to The Bureau of Criminal Investigations and Intelligence Policy 9.01 and has been sent to policy and accreditation for review on June 13, 2014.



Purpose, Scope, and Methodology

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

The scope of this audit included a review of documentation supporting the I and E Fund deposits and expenditures for the third quarter of the 2013-14 Fiscal Year (January, February, and March 2014).

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

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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:
Virginia Gaskins, Auditor

Under the supervision of:
David Ulewicz, Audit Director

Approved by:


Julie M. Leftheris, Inspector General