Executive Summary

Section 321.24, Florida Statutes (F.S.), authorizes the Florida Highway Patrol (FHP) to establish an Auxiliary to the FHP. Its members are unpaid volunteers who assist the FHP in the performance of its regularly constituted duties, including; patrolling the streets and highways of the state, providing timely assistance to disabled motorists, participating in vehicle equipment and license checkpoints, participating in specialized details, responding to natural disasters and other emergency situations, and providing administrative assistance.

The FHP Reserve program is established to allow former or retired law enforcement officers to supplement the workload of regular full-time FHP members and to provide assistance to the motoring public. Reserve members serve as volunteers without pay under the direction of the FHP director.

The purpose of this audit was to review and evaluate the efficiency and effectiveness of the FHP Auxiliary and Reserve operations and compliance with applicable laws and Department policy and procedure. Our review determined the following items require management attention:

- Oversight and documentation of events hosted by the FHP Auxiliary involving FHP members should be improved;
- Oversight of Reserve member activity should be improved
- The FHP Auxiliary should implement proper separation of duties when requesting, approving, and issuing reimbursement checks to unit members; and
- Financial record retention and accuracy should be improved.

The FHP and FHP Auxiliary generally agreed with the recommendations, and have begun implementing corrective actions.

We would like to acknowledge the full and complete cooperation and support of the FHP Auxiliary during our audit. We would like to especially thank the following FHP Auxiliary units: Troop D Deland Unit, Troop D Orlando Unit, Troop C Tampa Unit, Troop C Pinellas Unit, Troop F Ft. Myers Unit, and Troop F Bradenton Unit.
Background and Introduction

FHP Auxiliary

Section 321.24, F.S., authorizes the establishment of an Auxiliary to the FHP. The FHP Auxiliary is established as a professionally trained, all volunteer law enforcement organization dedicated to providing direct assistance and operational support to the FHP, and is responsible for promoting public safety for the citizens and the visitors of Florida. Its members are unpaid volunteers who serve under the direction and supervision of the Director and members of the FHP.

Since 1957, the FHP Auxiliary has assisted the FHP in the performance of its regularly constituted duties, including; patrolling the streets and highways of the state, providing timely assistance to disabled motorists, participating in vehicle equipment and license checkpoints, participating in special details, responding to natural disasters and other emergency situations, and providing administrative assistance. During the 2015 calendar year, the FHP Auxiliary collectively spent 82,703 hours on patrol, covering 723,789 miles throughout the state.

Statewide, there are 20 FHP Auxiliary units, within 10 field troops, with similar geographic boundaries as the FHP. Each FHP Auxiliary troop is commanded by a troop major who coordinates activities with a designated FHP Auxiliary/Reserve troop coordinator. Currently, there are 253 active FHP Auxiliary members. Section 321.24(3), F.S., limits the FHP Auxiliary to five times the total number of regularly employed highway patrol officers authorized by law.

Membership is a tiered system with four levels and varying duties, responsibilities, requirements, and authority. While Level 1 members are civilian volunteers completing mostly administrative tasks, Level 4 members are trained to investigate traffic crashes not involving criminal charges, issue traffic citations, perform limited patrol duties, and attend official court proceedings as required.

New FHP Auxiliary members must successfully complete a Basic Training Auxiliary Law Enforcement Course or equivalent, and qualify in the use of a firearm by an FHP Firearms Instructor. In order to maintain recertification, each FHP Auxiliary member is responsible for completing retraining requirements as prescribed by the Criminal Justice Standards and Training Commission. During the 2015 calendar year, FHP Auxiliary members spent 18,275 hours in training.

Following approval by the FHP director, and completion of a firearms course, FHP Auxiliary members have the power to bear arms and make arrests, provided that the FHP Auxiliary member is under the direct supervision of an FHP trooper who is either physically present on the scene, or in contact by radio and has authorized the arrest.
Members of the auxiliary have the same protection and immunities afforded to regularly employed highway patrol officers; however, FHP Auxiliary members are not commissioned with sworn officer status and do not have the same authority as a full-time member. FHP Auxiliary members are required at all times to serve under the direction and supervision of the FHP director and members of the FHP.

During the 2015-16 Fiscal Year, $138,238 was legislatively appropriated from the Highway Safety Operating Trust Fund as a special category of funds to be used to support FHP Auxiliary operations.

FHP Auxiliary Foundation, Inc.

The FHP Auxiliary Foundation, Inc. (Foundation) is a not-for-profit corporation formed for charitable and educational purposes to provide aid in the form of money, and other forms of property or service to the FHP Auxiliary, and persons, associations, and corporations associated with the FHP Auxiliary.

For financial matters, each FHP Auxiliary unit has a designated Financial Officer. Each Financial Officer is responsible for receiving and disbursing all funds received by the unit, and for maintaining unit financial records. Monthly, each unit reports financial information to the Troop Major, who submits a consolidated troop report to the FHP Auxiliary Chief Financial Officer.

The primary source of revenue for FHP Auxiliary units is from providing security, traffic control and other services for sporting and local community events. FHP Auxiliary units use these revenues to purchase equipment, uniforms, travel, member awards and recognition, dues, telecommunication services, and training costs. These funds are paid to the unit, and deposited into the unit bank account.

FHP and FHP Auxiliary policies specify members are not allowed to receive wages, favors, or any type of individual reimbursement for any duties performed as an FHP Auxiliary member. All contributions received for services rendered by a unit are collectively expended for unit equipment or unit activities which are beneficial and available to all members on an equal basis. In some instances, reimbursement for costs incurred while conducting FHP Auxiliary duties are allowable. Members are required to complete an Expense Reimbursements form and provide original receipts to be reimbursed for expenses.

During the 2015 calendar year, FHP Auxiliary received $61,554 in revenue and had $29,352 in expenses.
FHP Reserve

The FHP Reserve Officer program is established to allow former or retired law enforcement officers to supplement the workload of regular full-time FHP members and to provide assistance to the motoring public. Reserve members serve as volunteers without pay under the direction of the FHP director.

Reserve officers are assigned to a troop, and to the responsibility of the District Lieutenant. There are no levels of promotion within the FHP Reserve program. Any cost for uniforms or equipment for a reserve member comes out of the troop budget to which the member is assigned. Reserve members are vested with authority to bear arms and make arrests.

There are two categories of applicants to the Reserve program: “expedited” and “standard.” FHP policy 18.01 defines the expedited application as a process for members of the FHP to apply to the Reserve officer program prior to actually retiring to avoid the full application process which includes a polygraph test and psychological screening. The standard application process requires a full application process, including a polygraph test and psychological screening. The standard application process is for former members of the FHP with a break in service from the Department, active Auxiliary members, or any other person applying to be a Reserve member.

Reserve officers that enter the program through the expedited process are required to work at least 24 hours per month. Reserve officers that enter the program through the standard application process are required to work at least one eight-hour shift per month. Schedules and work assignments are organized by the District Lieutenant.

Reserve officers must successfully complete 40 hours of mandatory retraining every four years as required by Section 943.135, F.S., and are required to train and qualify with their assigned firearm annually.

Acknowledgement

We would like to acknowledge the full and complete cooperation and support of the FHP Auxiliary during our audit. We would like to especially thank the following FHP Auxiliary units: Troop D Deland Unit, Troop D Orlando Unit, Troop C Tampa Unit, Troop C Pinellas Unit, Troop F Ft. Myers Unit, and Troop F Bradenton Unit.
Findings and Recommendations

Our review determined the following issues require management attention:

Oversight of FHP Auxiliary Events

Finding No. 1: Oversight and documentation of events hosted by the FHP Auxiliary involving FHP members should be improved.

Department Policy 3.08, Ethics and Personal Responsibility, states Members may not accept benefits of any sort under circumstances in which it could be inferred that the benefit was intended to influence pending or future decisions, or to reward a past decision.

In preparing for the 2014 ACE Awards Banquet/FHP 75th Anniversary celebration, the Bradenton FHP Auxiliary unit received two donations totaling $3,900 which were used to purchase prizes; including a top prize of a 60 inch TV given out by one of the donors. These prizes were distributed to attendees of the 2014 ACE Awards Banquet/FHP 75th Anniversary celebration which included FHP members through a free raffle ticket drawing. Documentation of the prize recipients was not maintained.

Recommendation

We recommend the FHP Auxiliary, through the FHP, seek council from the Department Ethics Officer when planning events involving FHP members that are funded through donations.

Management Response

The FHP, in coordination with the FHP Auxiliary, concurs with the recommendation in Finding 1.

In response to the findings of the Office of Inspector General, the FHP Auxiliary Foundation initiated a top-down review and revision to its Financial Guidelines. These Guidelines are the policies by which the operations of the FHP Auxiliary Foundation are governed. The Guidelines referenced in this response are waiting approval from the Foundation Board of Directors.

The Foundation has proposed revisions to Guidelines (D)(4),(5),6), and (7). These Guidelines:

- Prohibit the solicitation of any donation without the approval of the Chief Financial Officer of the Foundation (Guideline D (4)).
• Prohibit the acceptance of any donation without the approval of the Chief Financial Officer of the Foundation (Guideline D (5)).
• Require the Chief Financial Officer of the Foundation to seek the counsel of the Department’s Ethics Officer prior to approving the acceptance of any donation (Guideline D (6)).
• Prohibit any district from participating in any fund-raising campaign without the approval of the Chief Financial Officer of the Foundation (Guideline D (7)).

The above financial guideline revisions will provide greater oversight of any donation received by the FHP Auxiliary. The centralization of approval in the Office of the Chief Financial Officer allows the foundation to be instantly aware of any possible conflicts of interest with any proposed donation. Additionally, the guideline requiring ethics officer consultation prior to approving the acceptance of any donation will ensure the FHP Auxiliary is in compliance with Department regulations.

**Reserve Activity**

**Finding No. 2:** Oversight of Reserve member activity should be improved.

FHP Policy 18.01 states Reserve officers that enter the Reserve program through the “expedited” application process will be required to work at least 24 hours per month. Reserve officers that enter the Reserve program through the “standard” application process are required to work at least one eight-hour shift per month.

Because FHP does not track which Reserve members enter the program through the expedited or standard application process, they cannot accurately determine if reserve members are meeting their required hours of activity.

A review of Reserve member’s monthly reporting activity as required by FHP Policy 18.01, determined 49% did not report any activity in 2015, and 53% did not report any activity in 2014.

While reviewing Reserve member’s activity hours reported, we noted Reserve members are not meeting the required monthly activity:

- 2 out of 76 members (3%) reported working 8 hours or more each month during 2014.
- 1 out of 65 members (1.5%) reported working 8 hours or more each month during 2015.

The purpose of the Reserve program is to provide support to the FHP and provide additional assistance to the motoring public. If members of this program are not
participating, the goals of the program are not fulfilled, and the expenses the state incurred to operate these programs are not justified.

**Recommendation**

We recommend the FHP formally evaluate the activity requirement and required supporting documentation for the Reserve program.

We further recommend the FHP ensure documentation of activity for Reserve members is submitted and maintained.

**Management Response**

The FHP concurs with the recommendations in Finding 2.

FHP policy is being revised to remove the language in reference to the “expedited” application process and its requirement to work at least 24 hours per month. Reserve officers who are interested in becoming full time troopers will enter the “standard” application process.

Additionally, the current eight hour minimum per month requirement is being revised to allow members to work 96 hours on an annual basis. This change will allow members to work details exceeding eight hours while counting towards the annual requirement.

We have initiated a new project with the Chief Technology Officer to create an electronic monitoring and storage system using Daptiv software. The use of Daptiv will enable the Division to monitor FHP reserve trooper activity statewide.

**Separation of Duties**

**Finding No. 3:** The FHP Auxiliary should implement proper separation of duties when requesting, approving, and issuing reimbursement checks to unit members.

FHP Auxiliary Policy 9.02, Financial Operations, includes the requirement that all expenditures will be paid by unit check having two signatures. Checks may be signed by the unit commander and/or the finance officer and one other designated unit member.

FHP Auxiliary Foundation Financial Guidelines further describe the requirements for disbursing funds, including that appropriate original documentation shall be submitted to the District Commander for approval and forwarded to the District Financial Officer for actual disbursement. Requests for reimbursement shall be accompanied by the original
receipt, and the expense voucher form shall be filled in completely to include all requested information.

While reviewing supporting documentation for expenses for a select group of FHP Auxiliary Units, we noted instances where Unit Finance Officers were requesting and approving reimbursements to themselves, as well as writing and signing reimbursement checks. Additionally, documentation was not always maintained to support the reimbursement.

Ensuring segregation of duties in cash receipts and cash disbursements are a critical internal control. The requisition, approval, and processing of all cash disbursement transactions should not be performed by the same individual.

Recommendation

We recommend the FHP Auxiliary implement proper separation of duties when requesting, approving, and issuing reimbursement checks to unit members.

Management Response

The FHP, in coordination with the FHP Auxiliary, concurs with the recommendation in Finding 3.

Specific to finding 3, the Foundation has proposed revision to Guideline M(7). This Guideline now prohibits any authorized signer of a Foundation account from signing a check issued to him or herself. Any check written to an authorized signer must bear the signature of another authorized signer.

This Guideline provides an effective solution to a conflict of interest inherent in the practice of an authorized signer being permitted to write a check to him or herself. The Guideline will cause the practice to cease immediately and add a layer of oversight to the reimbursement process.

Financial Record Retention and Accuracy

Finding No. 4: Financial record retention and accuracy should be improved.

FHP Auxiliary Financial Operations policy 9.02.06 states the unit finance officer will keep all financial records including receipts for all unit expenditures for a minimum of six years.
While reviewing support for expenses for a select group of FHPA Units, we noted instances where documentation was not maintained for expenses and reimbursements. Specifically:

- Tampa Unit - missing original receipts for most disbursements made during the period reviewed, totaling $2,841.77;
- Ft. Myers Unit - Not all receipts were available to support check number 870 for a related party transaction; and
- Ft. Myers Unit - Receipts were not available for three expenses, totaling $440.37.

Additionally, some units monthly income statements did not always reconcile with corresponding bank statements or check registers, and some had calculation errors.

While interviewing FHP Auxiliary Unit Finance Officers, most seemed unaware of the FHP Auxiliary Foundation Financial Guidelines and FHP Auxiliary Finance Operations policy. Without maintaining supporting documentation and accurate monthly income statement reporting, the FHP Auxiliary cannot ensure that foundation funds are spent in accordance with FHP Auxiliary Foundation Financial Guidelines and FHP Auxiliary Finance Operations policy.

**Recommendation**

We recommend the FHP Auxiliary maintain all financial records, including receipts, as required in the FHP Auxiliary Financial Operations Policy.

We also recommend the FHP Auxiliary formally communicate basic accounting controls, processes, and procedures to all unit finance officers, and include detailed requirements for proper completion of monthly reports in Auxiliary financial guidelines.

We further recommend the FHP Auxiliary provide training to unit finance officers on general accounting principles and the FHP Auxiliary finance policies and guidelines to ensure unit finance officers understand the importance of proper recordkeeping.

**Management Response**

The FHP, in coordination with the FHP Auxiliary, concurs with the recommendations in Finding 4.

Specific to Finding 4, the Foundation has proposed Guidelines L (3) and J (4). These Guidelines:

- Require the Chief Financial Officer to provide ongoing training to district financial officers in the areas of basic accounting controls, processes, and procedures.
This requirement required a minimum of one in-person training seminar per year. (Guideline L (3)).

- Centralize all financial records in one electronic location. The Guideline requires all FHP Auxiliary troop commanders or designees to electronically upload their district’s financial reports and troop consolidated monthly income statement along with supporting documentation to a secure electronic location. The Foundation has determined that the FHP Auxiliary’s private section of its internet site, popularly known as iTrooper, will be the centralized location (Guideline J (4)).

In conclusion, the FHP Auxiliary has implemented new policies which will provide for more transparency and better oversight of the Foundation financial operations.

**Purpose, Scope, and Methodology**

The purpose of this audit was to review and evaluate the efficiency and effectiveness of the FHP Auxiliary and Reserve operations and compliance with applicable laws and Department policy and procedure.

The scope of this audit included FHP Auxiliary and Reserve records and operation procedures during the 2014-15 and 2015-16 Fiscal Years.

The methodology included:

- Reviewing applicable statutes, rules, manuals, and procedures;
- Reviewing the FHP Auxiliary Foundation Articles of Incorporation and Financial Guidelines;
- Reviewing the purpose and use of state funds appropriated for the programs;
- Reviewing Auxiliary financial records;
- Reviewing the activity reporting process;
- Reviewing Auxiliary and Reserve reported hours of activity;
- Reviewing training records;
- Reviewing the process for returning issued equipment upon separation; and
- Interviewing appropriate Department, FHP, Auxiliary and Reserve staff.
Distribution, Statement of Accordance, and Project Team

Distribution

Terry L. Rhodes, Executive Director  
Diana Vaughn, Deputy Executive Director  
Colonel Gene Spaulding, Director of the Florida Highway Patrol  
Lt. Colonel Michael Thomas, Deputy Director of the Florida Highway Patrol  
Chief Ernesto Duarte, Director of Special Services  
Lt. Colonel Danny Barber, Director of the Florida Highway Patrol Auxiliary

Melinda M. Miguel, Chief Inspector General  
Sherrill F. Norman, 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:  
Erin Mook, Auditor

Under the supervision of:  
David Ulewicz, Audit Director

Approved by:

Julie M. Leffhans, Inspector General
ATTACHMENT - Management Response

MEMORANDUM

DATE: April 26, 2016

TO: David Ulewicz, Audit Director

FROM: Chief Ernesto Duarte
       Director of Special Services

SUBJECT: FHP Auxiliary Management Response to the FHP Auxiliary and Reserve Audit (201516-04)

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

Finding 1 - Oversight of FHP Auxiliary Events

Oversight and documentation of events hosted by the FHP Auxiliary involving FHP members should be improved.

Recommendation

We recommend the FHP Auxiliary, through the FHP, seek council from the Department Ethics Officer when planning events involving FHP members that are funded through donations.

Management Response

The FHP concurs with the recommendation in Finding 1.

In response to the findings of the Office of Inspector General, the Florida Highway Patrol Auxiliary Foundation initiated a top-down review and revision of its Financial Guidelines. These Guidelines are the policies by which the operations of the Florida Highway Patrol Auxiliary Foundation are governed. The Guidelines referenced in this response are awaiting approval from the Florida Highway Patrol Foundation Board of Directors.

The Foundation has proposed revisions to Guidelines (D) (4), (5), (6), and (7). These Guidelines:
- Prohibit the solicitation of any donation without the approval of the Chief Financial Officer of the Foundation (Guideline D(4)).
- Prohibit the acceptance of any donation without the approval of the Chief Financial Officer of the Foundation (Guideline D(5)).
- Require the Chief Financial Officer of the Foundation to seek the counsel of the Department of Highway Safety and Motor Vehicles’ Ethics Officer prior to approving the acceptance of any donation (Guideline D(6)).
- Prohibit any District from participating in any fund-raising campaign without the approval of the Chief Financial Officer of the Foundation (Guideline D(7)).

The above Financial Guideline revisions will provide greater oversight of any donation received by the Auxiliary. The centralization of approval in the Office of the Chief Financial Officer allows the Foundation to be instantly aware of any possible conflicts of interest with any proposed donation. Additionally, the Guideline requiring Ethics Officer consultation prior to approving the acceptance of any donation will ensure the Auxiliary is in compliance with all Department regulations.

Finding 2- Reserve Activity

Oversight of Reserve member activity should be improved.

Recommendation

We recommend the FHP formally evaluate the activity requirement and required supporting documentation for the Reserve program.

We further recommend the FHP ensure documentation of activity for Reserve members is submitted and maintained.

Management Response

The FHP concurs with the recommendations in Finding 2.

FHP policy is being revised to remove the language in reference to the “expedited” application process and its requirement to work at least 24 hours per month. Reserve officers who are interested in becoming full time troopers will enter the “standard” application process.

Additionally, the current eight-hour minimum per month requirement is being revised to allow members to work 96 hours on an annual basis. This change will allow members to work details exceeding eight hours while counting towards the annual requirement. We have initiated a new project with the Chief Technology Officer to create an electronic monitoring and storage system using Daptiv software. The use of Daptiv will enable the Division to monitor FHP reserve trooper activity statewide.
Finding 3- *Separation of Duties*

The FHP Auxiliary should implement proper separation of duties when requesting, approving, and issuing reimbursement checks to unit members.

**Recommendation**

We recommend the FHP Auxiliary implement proper separation of duties when requesting, approving, and issuing reimbursement checks to unit members.

**Management Response**

The FHP concurs with the recommendation in Finding 3.

Specific to Finding Number 3, the Foundation has proposed a revision to Guideline M(7). This Guideline now prohibits any authorized signer of a Foundation account from signing a check issued to him or herself. Any check written to an authorized signer must bear the signature of another authorized signer.

This Guideline provides an effective solution to a conflict of interest inherent in the practice of an authorized signer being permitted to write a check to him or herself. The Guideline will cause the practice to cease immediately and add a layer of oversight to the reimbursement process.

Finding 4- *Financial Record Retention and Accuracy*

Financial record retention and accuracy should be improved.

**Recommendation**

We recommend the FHP Auxiliary maintain all financial records, including receipts, as required in the FHP Auxiliary Financial Operations Policy.

We also recommend the FHP Auxiliary formally communicate basic accounting controls, processes, and procedures to all unit finance officers, and include detailed requirements for proper completion of monthly reports in Auxiliary financial guidelines.

We further recommend the FHP Auxiliary provide training to unit finance officers on general accounting principles and the FHP Auxiliary finance policies and guidelines to ensure unit finance officers understand the importance of proper recordkeeping.

**Management Response**

The FHP concurs with the recommendations in Finding 4.

Specific to Finding Number 4, the Foundation has proposed Guidelines J(4) and L(3) . These Guidelines:
- Require the Chief Financial Officer to provide ongoing training to District Financial Officers in the areas of basic accounting controls, processes and procedures. This requirement required a minimum of one in-person training seminar per year. (Guideline L(3)).
- Centralize all Financial Records in one electronic location. The Guideline requires all Auxiliary Troop Commanders or designees to electronically upload their Districts’ Financial Reports and Troop Consolidated Monthly Income Statement along with supporting documentation to a secure electronic location. The Foundation has determined that the Florida Highway Patrol Auxiliary’s private section of its Internet site, popularly known as iTrooper, will be the centralized electronic location. (Guideline J(4))

In conclusion, the Florida Highway Patrol Auxiliary has implemented new policies which will provide for more transparency and better oversight of Florida Highway Patrol Foundation financial operations.