

FHP Information and Evidence Fund

Audit Report 201819-22

February 12, 2019

Executive Summary

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.

In accordance with Section 925.055, Florida Statutes, the Florida Highway Patrol's BCII Policy 9.01, *Information and Evidence Funds*, 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 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 second quarter of the 2018-19 Fiscal Year (October, November, and December 2018).

Overall, the internal controls over the BCII I & E Fund were adequate; however, we noted the timeliness of interest deposits could be improved. We recommend the BCII submit all interest earned to the State Treasury within 30 days of receipt as required by Florida Administrative Code.

Background

The Florida Highway Patrol's BCII is responsible for the use and maintenance of an 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.

In accordance with Section 925.055, Florida Statutes, the Florida Highway Patrol's BCII Policy 9.01, *Information and Evidence Funds*, 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. The table below shows the fund's activity for the second quarter of the 2018-19 Fiscal Year (October, November, and December 2018).

Information and Evidence Fund Summary	
Quarter Ended December 2018	
Beginning Balance	\$4,231.30
Receipts	\$19.25
Disbursements	\$19.25
Ending Balance	\$4,231.30

*Note: All receipts and disbursements were related to the interest on the I and E Fund bank account.

Results of Audit

Overall, the internal controls over the BCII I & E Fund were adequate; however, we noted the following area in which improvements could be made:

Timely Deposits

Finding No. 1: The timeliness of interest deposits could be improved.

Chapter 69I-23.004, F.A.C. (11) states that interest earned on revolving fund accounts must be deposited to the source fund in the State Treasury within 30 days of receipt as a revenue item.

BCII Policy 9.01 states that interest earnings will be deposited to the source fund in the State Treasury within 30 days of receipt of revenue.

During our audit, we noted that November's interest was not returned to the state within the 30-day requirement per BCII 9.01. Interest was earned and deposited into the bank on November 1, 2018; however, BCII didn't issue the check until December 21, 2018, 51 days after it was posted to the account and 21 days late.

Recommendation

We recommend that the BCII submit all interest earned to the source fund in the State Treasury within 30 days of receipt as required by Florida Administrative Code.

Management Response

BCII will pay closer attention to ensure that deposits are submitted in a timely manner.



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, 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 second quarter of the 2018-19 Fiscal Year (October, November, and December 2018).

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
Jennifer Langston, Acting Chief of Staff
Colonel Gene Spaulding, Director of Florida Highway Patrol
Lt. Colonel Troy Thompson, Deputy Director of Patrol Operations
Chief Ernesto Duarte, Chief of Special Services
Major M. S. Mandell, Commander of the Bureau of Criminal Investigations and Intelligence
Major Gary Howze, Office of Strategic Services
Emily Balza, Policy and Accreditation

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

Statement of Accordance

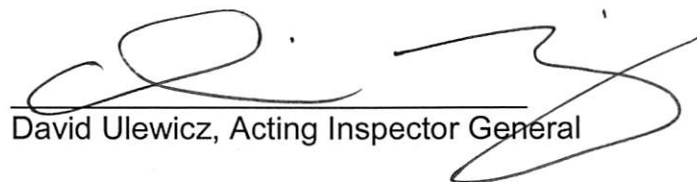
Section 20.055, Florida Statutes, requires the Florida Department of Highway Safety and Motor Vehicles' Inspector General to review, evaluate, and report on policies, plans, procedures, accounting, financial, and other operations of the Department and to recommend improvements. This audit engagement 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:
Molly Papania, Auditor

Under the supervision of:
David Ulewicz, Audit Director

Approved by:



David Ulewicz, Acting Inspector General

ATTACHMENT - Management Response



Terry L. Rhodes
Executive Director

2900 Apalachee Parkway
Tallahassee, Florida 32399-0500
www.flhsmv.gov

MEMORANDUM

DATE: January 29, 2019
TO: David Ulewicz, Audit Director
FROM: M.S. Mandell, Commander of the Bureau of Criminal Investigations and Intelligence
SUBJECT: FHP Information and Evidence Fund 2nd Quarter 2018-2019 Audit (201819-22)

The following is our response to the finding and recommendation presented in the report:

Finding 1- *Timley Deposits*

The timeliness of interest deposits could be improved.

Recommendation

We recommend the BCII submit all interest earned to the source fund in the State Treasury within 30 days of receipt as required by Florida Administrative Code.

Management Response

BCII will pay closer attention to ensure that deposits are submitted in a timely manner.

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