

## **FHP Information and Evidence Fund**

**Audit Report 201819-30**

**May 6, 2019**

### **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.

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 third quarter of the 2018-19 Fiscal Year (January, February and March 2019).

During our audit, we determined the bank signature card had not been updated to reflect recent staffing changes. After audit inquiry, the bank signature card was updated on April 30, 2019. We recommended BCII update Policy 9.01 to establish procedures for timely updating the bank signature card when staffing changes occur.

### **Background**

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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 third quarter of the 2018-19 Fiscal Year (January, February, and March 2019).

Information and Evidence Fund Summary	
Quarter Ended March 31, 2019	
<b>Beginning Balance</b>	<b>\$4,231.30</b>
Receipts	\$22.89
Disbursements	\$1,022.89
<b>Ending Balance</b>	<b>\$3,231.30</b>

## Findings and Recommendations

### *Bank Signature Card*

**Finding No. 1:** The bank signature card should be timely updated to reflect recent staffing changes.

BCII Policy 9.01.04(E) states the Bureau Commander and Assistant Bureau Commander, the Deputy Director of Special Services, 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.

On March 1, 2019, Chief Mark Brown was promoted to the position of Deputy Director of Special Services. As of April 18, 2019, the bank signature card had not been updated to reflect the retirement of the prior Deputy Director of Special Services and promotion of Chief Mark Brown. On April 30, 2019, the bank signature card was updated, approximately 60 days after the change occurred.

### **Recommendations**

We recommend BCII update Policy 9.01 to establish procedures for timely updating the bank signature card when staffing changes occur.

## Management Response

BCII Policy 9.01 will be updated to reflect that within 30 days of a staff change we will update the bank signature card.

## 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 2018-19 Fiscal Year (January, February, and March 2019).

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 timely 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 Mark Brown, Deputy Director 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

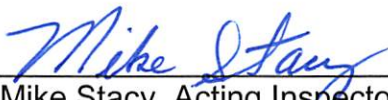
Section 20.055, Florida Statutes, requires the Florida Department of Highway Safety and Motor Vehicles' Inspector General to review, evaluate, and report on policies, plans, procedures, accounting, financial, and other operations of the Department and to recommend improvements. This audit engagement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

Under the supervision of:  
David Ulewicz, Audit Director

Approved by:



Mike Stacy, Acting Inspector General

## ATTACHMENT - Management Response

FLHSMV  
FLORIDA HIGHWAY SAFETY AND MOTOR VEHICLES

Terry L. Rhodes  
Executive Director

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**MEMORANDUM**

DATE: May 2, 2019  
TO: David Ulewicz, Audit Director  
FROM: M. S. Mandell, Commander of the Bureau of Criminal Investigations and Intelligence  
SUBJECT: Management Response to the FHP Information & Evidence Fund 3<sup>rd</sup> Quarter 2018-19 Audit (201819-30)

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

**Finding 1 – *Bank Signature Card***

The bank signature card should be updated to reflect recent staffing changes.

**Recommendations**

We recommend BCII update Policy 9.01 to establish procedures for updating the bank signature card when staffing changes occur.

**Management Response**

We will update BCII Policy 9.01 to reflect that within 30 days of a staff change we will update the bank signature card.

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