

FHP Information and Evidence Fund

Audit Report 201920-06

August 21, 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 fourth quarter of the 2018-19 Fiscal Year (April, May and June 2019).

Overall, the internal controls over the BCII I & E Fund were adequate; however, we noted the timeliness of interest deposits could be improved.

Background

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 authorized maximum amount for this fund is \$5,000. The table below shows the fund's activity for the fourth quarter of the 2018-19 Fiscal Year (April, May, and June 2019).

Information and Evidence Fund Summary	
Quarter Ended June 30, 2019	
Beginning Balance	\$3,231.30
Receipts	\$1,027.28
Disbursements	\$317.83
Ending Balance	\$3,940.75

Findings and Recommendations

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 interest earned on June 1, 2019 was not returned until July 2, 2019, 31 days after receipt.

Recommendations

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

I agree with the findings and we will try and submit in a timely manner in the future, it was late due to Capt. Head being out of the office on vacation.

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 fourth quarter of the 2018-19 Fiscal Year (April, May, and June 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



Terry L. Rhodes
Executive Director

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MEMORANDUM

DATE: August 19, 2019
TO: David Ulewicz, Audit Director
FROM: Major M. Sandy Mandell

SUBJECT: Management Response to the FHP Information & Evidence Fund 4th Quarter 2018-19 Audit (201920-06)

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

Finding 1 - *Timeliness of interest deposits could be improved*

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

I agree with the findings and we will try and submit in a timely manner in the future, it was late this time due to Capt. Head being out of the office on vacation.

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