

## **FHP Information and Evidence Fund** Audit Report 201920-14

December 3, 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 first quarter of the 2019-20 Fiscal Year (July, August, and September 2019).

Overall, the internal controls over the I and E Fund were adequate; however; we noted that ensuring there are two signatures on checks would enhance accountability of funds. Management agreed and has implemented corrective action.

### **Background and Introduction**

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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 authorized maximum amount for this fund is \$5,000. The table below shows the fund's activity for the first quarter of the 2019-20 Fiscal Year (July, August, and September 2019).

Information and Evidence Fund Summary	
Quarter Ended September 30, 2019	
<b>Beginning Balance</b>	<b>\$3,940.75</b>
Receipts	\$1,099.68
Disbursements	\$2,040.43
<b>Ending Balance</b>	<b>\$3,000.00</b>

## Findings and Recommendations

### *Check Signatures*

**Finding No. 1:** Ensuring there are two signatures on checks would enhance accountability of funds.

BCII Policy 9.01.04(B) states expenditures in any amount will require two approved signatures. We noted check number 432 had only one approved signature. BCII management reported that the check only had one approved signature due to an oversight. Requiring two approved signatures serves as an internal control to prevent checks from being written for improper amounts and/or purposes.

### **Recommendations**

We recommend that the BCII ensure that all checks have two approved signatures, as required in BCII Policy 9.01.

### **Management Response**

This appears to be a one-time incident that requires no change to existing procedures. All involved have been counseled on proper disbursement of checks.



## **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 first quarter of the 2019-20 Fiscal Year (July, August, and September 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:  
Bethany Vickerman, Auditor

Under the supervision of:  
Erin Mook, Acting Audit Director

Approved by:

  
Mike Stacy, Acting Inspector General

## ATTACHMENT - Management Response



**Terry L. Rhodes**  
Executive Director

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### MEMORANDUM

DATE: 12/2/19  
TO: Erin Mook, Acting Audit Director  
FROM: Major M. Sandy Mandell  
SUBJECT: Management Response to the FHP Information & Evidence Fund 1<sup>st</sup> Quarter 2019-20 Audit (201920-14)

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

#### **Finding 1 - *Check Signatures***

Ensuring there are two signatures on checks would enhance accountability of funds.

#### **Recommendation**

We recommend that the BCII ensure that all checks have two approved signatures, as required in BCII Policy 9.01.

#### **Management Response**

This appears to be a onetime incident that requires no change to existing procedures. All involved have been counseled on proper disbursement of checks.

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