



FHP Information and Evidence Fund Audit Report 202122-22

March 4, 2022

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&E) Fund. This fund is available to investigators to purchase materials as evidence or pay confidential sources for information that could otherwise be unavailable. BCII Policy 9.01, *Information and Evidence Funds*, establishes guidelines for the use and accountability of the fund and requires a quarterly report of the I&E Fund transactions.

The purpose of this audit was to evaluate the internal controls over the I&E Fund, and compliance with Florida Statutes, (F.S.), Florida Administrative Code, (F.A.C.), 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 2021-22 Fiscal Year (October, November, and December 2021).

Overall, the internal controls over the BCII I&E Fund were adequate; however, we noted opportunities for improvement.

We determined ensuring the quarterly report is properly completed would enhance accountability of funds and improve compliance. During our review of the quarterly report and associated documentation, we noted check number 461 in the amount of \$750.00 was voided and returned on October 5, 2021. This transaction was not reflected on the quarterly report.

Additionally, \$2,000.00 in cash was returned on October 8, 2021. Although this transaction was listed on the quarterly report, the balance on the quarterly report was not updated to accurately calculate the change in the fund's balance. BCII staff confirmed the cash was locked in a file cabinet but forgotten until the end of the quarter and was deposited in January 2022. Lastly, the fund is over the authorized amount by \$2,465.00.

We recommend BCII ensure the quarterly report is completed timely and accurately to improve compliance and accountability. We also recommend improving controls to ensure returned funds are accounted for on the quarterly report and timely deposited in the bank. Lastly, we recommend returning the excess funds.

BCII agreed with the finding and has begun implementing corrective action.

Background and Introduction

The Florida Highway Patrol's (FHP) Bureau of Criminal Investigations and Intelligence (BCII) is responsible for the use and maintenance of an Information and Evidence (I&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 FHP's BCII Policy 9.01, *Information and Evidence Funds*, establishes guidelines for the use and accountability of the FHP I&E Fund. This policy authorizes the purchase of information or physical evidence relating to criminal activity and requires a quarterly report of the I&E Fund transactions. The authorized maximum amount for this fund is \$5,000.00. The table below shows the fund's activity for the second quarter of the 2021-22 Fiscal Year (October, November, and December 2021).

Information and Evidence Fund Summary	
Quarter Ended December 31, 2021	
Beginning Balance	\$3,039.10
Receipts	\$4,710.90
Disbursements	\$285.00
Ending Balance	\$7,465.00

Findings and Recommendations

Properly Completed Quarterly Report

Finding No. 1: Ensuring the quarterly report is properly completed would enhance accountability of funds and improve compliance.

Section 69I-23.004(7), F.A.C., specifies no revolving fund may be maintained at an amount greater than that authorized by the Department of Financial Services (DFS).

Per the DFS Revolving Fund Authorization fund form dated June 23, 2021, the authorized amount including temporary increases is \$5,000.00.

During our review of the quarterly report and associated documentation, we noted check number 461 in the amount of \$750.00 was voided and returned on October 5, 2021. The transaction was not reflected on the quarterly report.

Additionally, \$2,000.00 in cash was returned on October 8, 2021. Although this transaction was listed on the quarterly report, the balance column on the quarterly report was not updated to accurately calculate the change in the balance. BCII staff confirmed the cash was locked in a file cabinet but forgotten until the end of the quarter and was deposited in January 2022.

Lastly, the fund is over the authorized amount by \$2,465.00.

Recommendation

We recommend BCII ensure the quarterly report is completed timely and accurately to improve compliance and accountability.

We also recommend improving controls to ensure returned funds are accounted for on the quarterly report and timely deposited in the bank.

Lastly, we recommend returning the excess funds.

Management Response

Effective February 15, 2022, BCII command reassigned the Information and Evidence Fund (I&E Fund) administrative duties and responsibilities to a current BCII Analyst Supervisor to improve compliance and accountability. It should be noted, the supervisor assuming these responsibilities has work experience in the field of accounting and bookkeeping. An initial meeting outlining expectations of duties surrounding the administrative functions of the I&E Fund has been held with this employee. Additionally,



BCII command staff will review this fund on a monthly basis for accuracy. This measure will ensure the I&E Fund Quarterly Reports are completed in a timely and accurate manner and will provide improved oversight.

The Bureau of Criminal Investigations and Intelligence has and is working with the Bureau of Accounting to reconcile the I&E Fund in an effort to correct the outlined findings.



Purpose, Scope, and Methodology

The purpose of this audit was to evaluate the internal controls over the I&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 2021-22 Fiscal Year (October, November, and December 2021).

Our methodology included:

- Reconciling the bank account;
- Tracing all account activity from the I&E Fund Quarterly Report to the bank statements;
- Reviewing documentation related to expenditures and deposits; and
- Verifying interest earned was timely forwarded to DFS.



Distribution, Statement of Accordance, and Project Team

Distribution

Terry L. Rhodes, Executive Director
Jennifer Langston, Chief of Staff
Colonel Gene Spaulding, Director of Florida Highway Patrol
Lt. Colonel Troy Thompson, Deputy Director of Patrol Operations
Lt. Colonel Mark Brown, Deputy Director of Support Operations
Chief Joseph Harrison, Chief of Special Services
Major M. S. Mandell, Commander of the Bureau of Criminal Investigations and Intelligence
Captain Lenita King, Policy, Accreditation, Inspections and Forms

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, Audit Director

Approved by:



Mike Stacy, Inspector General

Attachment – Management Response



Terry L. Rhodes
Executive Director

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MEMORANDUM

DATE: March 3, 2022
TO: Erin Mook, Audit Director
FROM: Major M.S. Mandell
SUBJECT: FHP Information and Evidence Fund (202122-22)

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

Finding 1: Properly Completed Quarterly Report

Ensuring the Quarterly Report is timely and accurately completed would enhance accountability of funds and improve compliance.

Recommendation

We recommend BCII ensure the Quarterly Reports are completed timely and accurately to improve compliance and accountability.

We also recommend improving controls to ensure returned funds are accounted for on the quarterly report and timely deposited in the bank.

Lastly, we recommend returning the excess funds.

Management Response

Effective February 15, 2022, BCII command reassigned the Information and Evidence Fund (I&E Fund) administrative duties and responsibilities to a current BCII Analyst Supervisor to improve compliance and accountability. It should be noted, the supervisor assuming these responsibilities has work experience in the field of accounting and bookkeeping. An initial meeting outlining expectations of duties surrounding the administrative functions of the I&E Fund has been held with this employee. Additionally, BCII command staff will review this fund on a monthly basis for accuracy. This measure will ensure the I&E Fund Quarterly Reports are completed in a timely and accurate manner and will provide improved oversight.

The Bureau of Criminal Investigations and Intelligence has and is working with the Bureau of Accounting to reconcile the I&E Fund in an effort to correct the outlined findings.