



AUDITOR GENERAL

WILLIAM O. MONROE, CPA



DEPARTMENT OF LAW ENFORCEMENT
CRIMINAL JUSTICE PROFESSIONALISM PROGRAM EXPENDITURES
CRIMINAL JUSTICE STANDARDS AND TRAINING TRUST FUND
 Operational Audit

SUMMARY

Section 943.25, Florida Statutes, created the Criminal Justice Standards and Training Trust Fund (CJSTTF) within the Department of Law Enforcement (Department). The primary purpose of the CJSTTF is to provide funding for the administration of the Criminal Justice Professionalism Program (CJPP).

The scope of this audit focused on CJPP expenditure of funds from the CJSTTF during the period July 2004 through February 2006.

During the audit period, CJPP expenditures of funds from the CJSTTF included both direct and indirect charges. Our audit of the Department's allocation of costs to the CJPP disclosed the need for improvements in the methodologies used.

BACKGROUND

Section 943.25, Florida Statutes, established the Criminal Justice Standards and Training Trust Fund (CJSTTF) for the purpose of paying expenses of the Criminal Justice Professionalism Program (CJPP).¹

¹The CJPP promotes and facilitates the competency and professional conduct of Florida's criminal justice officers. CJPP staff work with the Criminal Justice Standards and Training Commission and criminal justice agencies to provide entry-level and in-service officer training and to maintain disciplinary standards. Pursuant to Sections 943.11, 943.12, and 943.17, Florida Statutes, the Commission, located organizationally within the Department, is responsible for a number of activities, including the certification of officers, instructors, and training schools; establishment of uniform training standards across disciplines; and the establishment of training school curricular requirements.

The CJPP is funded primarily from the collection of a \$3 court cost from each person convicted for violation of State laws or county and municipal ordinances and the collection of a portion of the civil penalties assessed by county courts for traffic infractions.² Annually, CJPP funds are allocated to 16 Regional Training Councils that, in turn, allocate their respective share of the moneys to training schools that provide advanced and specialized training to local law enforcement officers within each region. For the 2004-05 fiscal year, there were 37 Regional Training Schools. For the 2004-05 and 2005-06 fiscal years, allocations to the Regional Training Councils totaled approximately \$5,842,000 and \$5,713,000, respectively.

FINDING AND RECOMMENDATION

We evaluated selected controls and tested CJPP expenditures totaling \$16,195,528, which represented 53 percent of the \$30,655,305 expended from the CJSTTF during the period July 2004 through February 2006. For the expenditures tested, our audit disclosed that the Department complied with applicable laws, administrative rules, and other guidelines. However, as discussed in the succeeding paragraphs, we identified the need for some improvement related to allocating costs to the CJPP.

Department decision makers should have accurate and complete information regarding the total (direct and

² Sections 938.01 (1) and 318.21 (2)(c), Florida Statutes.

indirect) cost associated with the CJPP upon which to base CJPP and CJSTTF management decisions. Our audit disclosed that the Department had not implemented procedures to ensure that total costs of the CJPP were properly identified. For example, during the period July 2004 through February 2006:

- The CJPP was charged for salaries and benefits totaling \$1.2 million and communications costs of \$1.3 million that, in part, benefited Department programs and functions other than the CJPP.
- The Department allocated building rental expense to various Department organizational units, but did not maintain documentation to demonstrate how the percentages used to allocate \$1,082,337 of building rental expense to the CJPP were derived and whether the application of the percentages resulted in a fair and reasonable allocation of rental costs.

In the absence of a proper allocation of costs, the Department cannot demonstrate that the amount of costs charged to the CJPP represents an equitable distribution. As a result, the Department's ability to assess the financial requirements of the CJPP may be diminished.

Recommendation: We recommend that the Department implement cost allocation methodologies that identify and summarize all direct and indirect costs of the CJPP.

OBJECTIVES, SCOPE, AND METHODOLOGY

This operational audit focused on CJPP expenditures of the CJSTTF during the period July 2004 through February 2006. Section 943.25(3), Florida Statutes, directs the Auditor General to conduct audits of the expenditures of the CJSTTF. Our objectives were:

- To determine whether expenditures charged to the CJPP were reasonable and necessary, and in compliance with controlling laws and administrative rules.
- To determine the extent the Department's management controls promoted the achievement of management objectives related to compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operations of State government; the reliability of records and reports; and the safeguarding of assets.

In conducting our audit, we interviewed Department personnel, observed processes and procedures, and completed various analyses and other procedures as determined necessary. Our audit included examinations of various transactions (as well as events and conditions) occurring during the period July 2004 through February 2006.

AUTHORITY

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

William O. Monroe

William O. Monroe, CPA
Auditor General

MANAGEMENT RESPONSE

In a letter dated September 8, 2006, the Commissioner of the Department concurred with our finding and recommendation. The letter is included in its entirety at the end of this report as Appendix A.

To promote accountability in government and improvement in government operations, the Auditor General makes operational audits of selected programs, activities, and functions of State agencies. This operational audit was made in accordance with applicable *Government Auditing Standards* issued by the Comptroller General of the United States. This audit was conducted by Marcia Maheu, CPA, and supervised by Ben Cox, CPA. Please address inquiries regarding this report to David R. Vick, CPA, Audit Manager, via e-mail at davidvick@aud.state.fl.us or by telephone at (850) 487-9100.

This report and audit reports prepared by the Auditor General can be obtained on our Web site (<http://www.state.fl.us/audgen>); by telephone ((850) 487-9024); or by mail (G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450).

APPENDIX A
MANAGEMENT RESPONSEFlorida Department of
Law EnforcementGerald M. Bailey
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Tallahassee, Florida 32302-1489
(850)410-7001
www.fdle.state.fl.usJeb Bush, Governor
Charlie Crist, *Attorney General*
Tom Gallagher, *Chief Financial Officer*
Charles H. Bronson, *Commissioner of Agriculture*

September 8, 2006

Mr. William O. Monroe, CPA
Auditor General
G74 Claude Pepper Building
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

We have received the preliminary and tentative findings and recommendations from the following audit of:

Department of Law Enforcement
Criminal Justice Professionalism Program (CJPP) Expenditures
Criminal Justice Standards and Training Trust Fund
During the period July 2004 through February 2006.

Your recommendation and our related explanation or our description of actual or proposed corrective actions initiated by the Florida Department of Law Enforcement is enumerated below:

FINDINGS:

- The Department allocated building rental expense to various Department organizational units, but did not maintain documentation to demonstrate how the percentages used to allocate \$1,082,337 of building rental expense to the CJPP were derived and whether the application of the percentages resulted in a fair and reasonable allocation of rental costs.
- The CJPP was charged for salaries and benefits totaling \$1.2 million and communications costs of \$1.3 million that, in part, benefited Department programs and functions other than the CJPP.

FDLE Response to Findings: Prior to the audit, the Department had taken steps to identify costs not directly related to CJPP and made adjustments for a more accurate reflection of costs to the CJPP.

- A methodology has been developed for accurate proration of Headquarters building rent charged to the CJPP. Current year building rent has been adjusted in CJPP to reflect the new allocation.
- A total of eleven (11) positions in the CJPP have been identified, which are currently charged to the Criminal Justice Training Trust Fund, but should be charged to other funding sources. The appropriate adjustments will be made to charge such identified positions to the correct fund. Also, effective for fiscal year 2006-07, the referenced communication costs of \$1.3 million will no longer be charged to the CJPP.

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APPENDIX A (CONTINUED)
MANAGEMENT RESPONSE

Mr. William O. Monroe, CPA
September 8, 2006
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RECOMMENDATION: We recommend that the Department implement cost allocation methodologies that identify and summarize all direct and indirect costs of the CJPP.

FDLE Response to Recommendation: A Department cost allocation plan is being developed that will show an allocation of identified overhead costs to all Programs, including the CJPP.

The recommendation in your audit report is appreciated. If you require further information regarding the actual or proposed corrective actions, please contact me or Inspector General Al Dennis at 410-7225.

Sincerely,



Gerald M. Bailey
Commissioner

GMB/ALD/dkk