



FHP Information and Evidence Fund Audit Report 202324-10

November 29, 2023

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, 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 2023-24 Fiscal Year (July, August, and September 2023).

Overall, the internal controls over the BCII I & E Fund were adequate; however, we noted ensuring the bank signature card is updated timely would strengthen controls and compliance.

Management concurs with the finding and recommendation 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 would 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 first quarter of the 2023-24 Fiscal Year (July, August, and September 2023).

Information and Evidence Fund Summary	
Quarter Ended September 30, 2023	
Beginning Balance	\$5,000.00
Receipts	\$0.00
Disbursements	\$0.00
Ending Balance	\$5,000.00

Finding and Recommendation

Bank Signature Card

Finding No. 1: Ensuring the bank signature card is updated timely would strengthen internal controls and compliance.

BCII Policy 9.01.04 (E)(5) states the Bureau Commander and Assistant Bureau Commander, the Chief of Special Services, and the Director of the Florida Highway Patrol will be the only persons authorized to write checks from the I & E Fund. Their signatures will be documented on a signature card maintained by the bank.

BCII Policy 9.01.04 (F) states that the bank shall be notified within 30 days of a change in authorized signers.

When a member with check-signing authority no longer has that authority, the member's name should be timely removed from the bank signature card; this is a key internal control designed to manage and reduce the risk of theft or misuse of public funds.

Upon audit inquiry on October 5, 2023, the BCII Office Manager advised that the signature card had not been updated to reflect changes in BCII leadership.



We reviewed the signature card dated March 8, 2022, and noted signatures which should have been removed due to personnel changes in FHP leadership. Specifically;

- Former Colonel (effective March 27, 2023); and
- Former Chief of Special Services (effective September 1, 2023).

Additionally, the signature card should have been updated to include the following:

- Colonel appointment (effective April 6, 2023); and
- Chief of Special Services appointment (effective September 1, 2023).

After our inquiry, BCII provided an updated signature card on October 12, 2023, which reflected the changes in authorized signers.

Although we noted that no checks cleared the bank during the review period, and the quarterly report reflected that no checks were written, timely updating the signature card is a key control to ensure access to funds remains appropriate. Absent controls to ensure the signature card is updated timely, the funds could be made available to those who no longer have the authority to access them. Further, funds could be inaccessible to those who have the authority and need to access them.

Recommendation

We recommend FHP leadership ensure that the I & E Fund bank signature card is timely updated to ensure that fund access remains appropriate.

Management Response

The Bureau of Criminal Investigations and Intelligence command staff recognizes the importance of management oversight of the I & E Fund and concurs with the OIG recommendation to ensure the I & E Fund bank signature card is timely updated based upon personnel changes in BCII leadership positions to ensure funds remain accessible. This oversight will reduce the risk of potential fraud or theft concerning the fund.

The BCII Commander will ensure a monthly audit is completed by him or his designee and the BCII Office Manager to ensure I & E Fund processes adhere to FHP Policy and maintain the integrity of the fund. A formal monthly I & E Fund audit Outlook calendar invite has been established to facilitate the monthly audit throughout each calendar year to verify adherence to agency policies. Administrative and operational procedures associated with the I & E Fund will be reviewed and staff will ensure the signature card is current with appropriate BCII staff endorsements. The audits will begin the end of October 2023 and will remain in effect indefinitely.



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 first quarter of the 2023-24 Fiscal Year (July, August, and September 2023).

Our methodology included reconciling the bank account, tracing all account activity from the I & E Quarterly report to the bank statements, and reviewing documentation related to expenditures and deposits.



Distribution, Statement of Accordance, and Project Team

Distribution

Dave Kerner, Executive Director
Robert Kynoch, Deputy Executive Director
Jennifer Langston, Chief of Staff
Gary Howze, Colonel of Florida Highway Patrol
Mark Brown, Lieutenant Colonel of Support Operations
Jeff Dixon, Chief of Special Services
M. S. Mandell, Major of the Bureau of Criminal Investigations and Intelligence
Lenita King, Captain of 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:

A handwritten signature in blue ink, appearing to read "Mike Stacy", written over a horizontal line.

Mike Stacy, Inspector General


Attachment – Management Response



Dave Kerner
Executive Director

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Tallahassee, Florida 32399-0500
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MEMORANDUM

DATE: November 17, 2023
TO: Erin Mook, Audit Director
FROM: Chief Jeffrey S. Dixon 
SUBJECT: FHP Information and Evidence Fund Audit (202324-10)

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

Finding 1 – Bank Signature Card

Ensuring the bank signature card is updated timely would strengthen internal controls and compliance.

Recommendation

We recommend FHP leadership ensure that the I & E Fund bank signature card is timely updated to ensure that fund access remains appropriate.

Management Response

The Bureau of Criminal Investigations and Intelligence command staff recognizes the importance of management oversight of the I&E fund and concurs with the OIG recommendation to ensure the I & E Fund bank signature card is timely updated based upon personnel changes in BCII leadership positions to ensure funds remain accessible. This oversight will reduce the risk of potential fraud or theft concerning the fund.

The BCII Commander will ensure a monthly audit is completed by him or his designee and the BCII Office Manager at GHQ to ensure I & E processes adhere to FHP Policy and maintain the integrity of the fund. A formal monthly I & E Fund audit Outlook calendar invite has been established to facilitate the monthly audit throughout each calendar year to verify adherence to agency policies. Administrative and operational procedures associated with the I & E fund will be reviewed and staff will ensure the signature card is current with appropriate BCII staff endorsements. The audits will begin the end of October 2023 and will remain in effect indefinitely.

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