



## FHP Information and Evidence Fund Audit Report 202324-23

May 30, 2024

### 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 & 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 third quarter of the 2023-24 Fiscal Year (January, February, and March 2024).

Overall, the internal controls over the BCII I & E Fund were adequate; however, we noted an opportunity for improvement. We determined ensuring the quarterly report is accurately completed would enhance accountability of funds. During our review of the quarterly report and associated documentation, we noted the report balance was not accurate. We also noted that a voided check was not reflected in the quarterly report. We recommend BCII management ensure the quarterly report is complete and accurate to ensure confidential funds are strictly administered and accounted for.

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

### Background and Introduction

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FHP's BCII is responsible for the use and maintenance of an 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, F.S., 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 third quarter of the 2023-24 Fiscal Year (January, February, and March 2024).

Information and Evidence Fund Summary	
Quarter Ended March 31, 2024	
<b>Beginning Balance</b>	<b>\$5,000.00</b>
Receipts	\$17.72
Disbursements	\$535.00
<b>Ending Balance</b>	<b>\$4,482.72</b>

## Finding and Recommendation

### *Accurately Completed Quarterly Report*

**Finding No. 1:** Ensuring the quarterly report is accurately completed would enhance accountability of funds.

CALEA Standard 17.4.2 commentary advises that it is imperative for supervisors to closely monitor all cash accounts. Additionally, the intent of CALEA Standard 43.1.3, as stated in the commentary, is to ensure confidential funds are strictly administered and accounted for.

Basic accounting principles provide that a book balance reflects the amount of money in a fund after adjustments have been made for checks that have yet to clear the bank, deposits in transit, or other pending deductions from the fund. To properly record a check that has been issued, even if it has not cleared the bank, the balance should be reduced by the full amount of the check.

During our review of the quarterly report and associated documentation, we noted the quarterly report balance was not calculated to accurately reflect a check that was issued but had not cleared the bank. We noted that check number 11 was written for \$285.00, but the report balance was reduced by \$52.72. This resulted in the report balance being overstated by \$232.28.



Upon audit inquiry about the account balance, the Office Manager stated that the difference in the balance was because of the outstanding check used for an item of expenditure, and thought the quarterly report balance should match the ending balance of the bank report.

We also noted that check number 10 was not reflected in the quarterly report. The Office Manager explained that check number 10 was not reflected in the quarterly report because it was voided.

Bank reports will not reflect uncleared checks or deposits, and therefore cannot be relied upon to reflect the available balance. Without accurate accounting of the quarterly report, BCII may experience the following:

- Inaccurate report balance which can result in overdrawing the fund or exceeding the allowable fund balance; and
- Findings of noncompliance related to appropriate cash management and accounting practices.

## **Recommendation**

We recommend BCII management ensure the quarterly report is complete and accurate to ensure confidential funds are strictly administered and accounted for.

## **Management Response**

BCII Command staff concurs with the recommendation to ensure that the I & E Fund quarterly report is complete and accurate.

A quarterly meeting will be scheduled between the Office Manager and BCII Command Staff to ensure I & E processes adhere to FHP Policy. During this quarterly meeting, the Office Manager and BCII Command Staff will review the quarterly report before it is submitted to the appropriate section conducting the quarterly audit. A formal calendar invite will be sent by the Office Manager. Once notified of the impending quarterly audit, the meeting will be scheduled with BCII Command Staff members. The meeting will address the administrative and operational procedures surrounding the I & E Fund. The meeting will also focus on ensuring the quarterly report is accurate and complete. The meetings will begin with the next quarterly audit scheduled for the 4<sup>th</sup> quarter of the 2023 - 2024 Fiscal Year. Continuous and ongoing monitoring of I & E Fund Procedures will be conducted by the BCII Commander and or his designee to ensure adherence to Department policies to eliminate errors and eliminate possibilities of fund abuse.



## **Purpose, Scope, and Methodology**

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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 third quarter of the 2023-24 Fiscal Year (January, February, and March 2024).

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  
Jamerson Woodward, Major of the Bureau of Criminal Investigations and Intelligence  
Lisa Barnett, Major of Law Enforcement Operations  
Mary Brown, Lieutenant 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:

  
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Mike Stacy, Inspector General


## Attachment – Management Response



Dave Kerner  
Executive Director

2900 Apalachee Parkway  
Tallahassee, Florida 32399-0500  
www.flhsmv.gov

### MEMORANDUM

DATE: May 28, 2024  
TO: Erin Mook, Audit Director  
FROM: Major Jamerson Woodward   
SUBJECT: FHP Information and Evidence Fund Audit (202324-23)

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

#### **Finding 1 – *Accurately Completed Quarterly Report***

Ensuring the quarterly report is accurately completed would enhance accountability of funds.

#### **Recommendation**

We recommend BCII management ensure the quarterly report is complete and accurate to ensure confidential funds are strictly administered and accounted for.

#### **Management Response**

BCII Command Staff concurs with the recommendation to ensure that the I & E Fund quarterly report is complete and accurate.

A quarterly meeting will be scheduled between the Office Manager and BCII Command Staff to ensure I & E processes adhere to FHP Policy. During this quarterly meeting, the Office Manager and BCII Command Staff will review the quarterly report before it is submitted to the appropriate section conducting the quarterly audit. A formal calendar invite will be sent by the Office Manager. Once notified of the impending quarterly audit, the meeting will be scheduled with BCII Command Staff members. The meeting will address the administrative and operational procedures surrounding the I & E fund. The meeting will also focus on ensuring the quarterly report is accurate, and complete. The meetings will begin with the next quarterly audit scheduled for the 4<sup>th</sup> quarter of the 2023 – 2024 fiscal year. Continuous and on-going monitoring of I&E Fund procedures will be conducted by the BCII Commander and or his designee to ensure adherence to Department policies to eliminate errors and eliminate the possibility of fund abuse.

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