

**TAMPA POLICE DEPARTMENT  
EXPENSE & INFORMANT FUNDS  
AUDIT 06-04  
JANUARY 14, 2006**



# CITY OF TAMPA

Pam Iorio, Mayor

Internal Audit Department

Wayne Boytim, Acting Internal Audit Director

January 14, 2006

Honorable Pam Iorio  
Mayor, City of Tampa  
1 City Hall Plaza  
Tampa, Florida

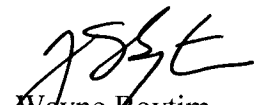
RE: Tampa Police Department, Expense and Informant Funds, Audit 06-04

Dear Mayor Iorio:

Attached is the Internal Audit Department's report on the Tampa Police Department's Expense and Informant Funds.

The Tampa Police Department's Criminal Investigations Division has already taken positive actions in response to our recommendations. We thank the management and staff of the Tampa Police Department for their cooperation and assistance during this audit.


Sincerely,



Wayne Boytim  
Acting Internal Audit Director

cc: Darrell Smith, Chief of Staff  
Bonnie Wise, Revenue & Finance Director  
Steve Hogue, Chief of Police  
Gilbertina H. (Tina) Wright, Assistant Chief of Police – Administration  
Jane E. Castor, Assistant Chief of Police – Operations

**TAMPA POLICE DEPARTMENT  
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Auditor

  
Acting Internal Audit Director

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**INTRODUCTION**

During the course of undercover or other investigative operations, the Expense and Informant Funds are used to obtain information from confidential informants, to purchase illegal drugs and to pay for certain costs of official investigations. There are eleven expense and informant funds. One of these funds is strictly used as “show money” at drug buys. TPD’s Intra-Division Procedures govern the use of and accounting for the various funds.

The funds are reconciled monthly by the custodial division, quarterly by the Fiscal Bureau and annually by General Accounting. Reimbursement is initiated by the submission of a summary letter of expenditures to the Fiscal Bureau.

**STATEMENT OF OBJECTIVES**

This audit was conducted in accordance with the Internal Audit Department's FY06 Audit Agenda. The objectives of this audit were to ensure that:

1. Expense and Informant Fund balances reconciled to disbursement records; and
2. Expense and Informants Funds were administered in accordance with established policies.

**STATEMENT OF SCOPE**

The audit period covered expense and informant fund activity that occurred from January 1, 2005, to December 31, 2006. Source documentation was obtained from various offices of the Tampa Police Department. Original records as well as copies were used as evidence and verified through physical examination.

**STATEMENT OF METHODOLOGY**

All Expense and Informant Funds were reconciled to supporting accounting ledgers. Detail activity was judgmentally sampled to improve the overall efficiency of the audit. To achieve the audit’s objectives, no reliance was placed on computer-processed data. Reliance was placed on the reconciliations performed by the Tampa Police Department’s Fiscal Bureau during site visits in January 2006. Draws and returns were vouched in their entirety to supporting documentation as part of their reconciliation procedures. The reconciliations were performed in the presence of the auditor.

## **STATEMENT OF AUDITING STANDARDS**

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

## **AUDIT CONCLUSIONS**

Based upon the test work performed and the audit findings noted below, we conclude that:

1. Expense and Informant Fund balances reconciled to disbursement records without exception; and
2. Expense and Informants Funds were administered in accordance with established policies; however, additional safeguards are needed.

While the findings discussed below may not, individually or in the aggregate, significantly impair the operations of the Tampa Police Department, they do present risks that can be more effectively controlled. Before we completed our audit, the Tampa Police Department's Criminal Investigations Division began to implement the Internal Audit Department's recommendations.

## **ADDITIONAL SAFEGUARDS OVER FUNDS**

All Expense and Informant Funds were reconciled to disbursement records without exception. The Funds were administrated in accordance with established procedures; however, a few control weaknesses were discovered that when corrected would provide additional safeguards over the funds.

The following were discovered during the compliance tests of fund activities:

- One division allowed sub-draws from recorded draws in an attempt to reduce paperwork and improve efficiency. By doing this, the custody and responsibility controls of the fund were bypassed.
- Several draws, from all but a few of the funds, were found to be outstanding over 90 days. Draws should only be requested when necessary for current investigations.
- Each entity with an Expense and Informant Fund had its own Intra-Division Procedures (IDPs) controlling fund activities, but the requirements were not consistent. One division did not have specific IDPs and used another division's for guidance.
- The established IDPs did not provide guidance as to appropriate use of the funds for equipment purchases. Funds should only be used to pay for confidential information or actual investigation expenses. To do otherwise would bypass the City's procurement procedures.
- Each entity had its own system of filing and a few were not responsible for their document storage. Requiring each entity to maintain its files in a consistent manner and be responsible for its own records would provide additional safeguards over the funds.

The Tampa Police Department was in the process of revising the Criminal Investigations Division's and the QUAD Squads' IDPs during the audit of the funds. The issues above were discussed with TPD management and additional safeguards correcting the cited control weaknesses were included in the Criminal Investigations Division's draft IDP.

## **RECOMMENDATION**

The Tampa Police Department should continue its efforts to revise or create the Intra-Division Procedures for each Division, Bureau and Squad that is responsible for an Expense and Informant Fund. The IDPs should mirror each other in all material respects. This will provide consistent controls over fund activities and help to ensure compliance with management's directives.

## **AUDITEE RESPONSE**

In response to the aforementioned report, we have reviewed the recommendations for providing additional safeguards over the Informant and Expense funds. Due to the recent reorganization of the department, drug law enforcement was decentralized internally, which necessitated revising our IDP's. The results of Mr. Chapman's Audit will be shared with

each division that has an investigative fund to ensure that the IDP's mirror each other in all material aspects.

Additional information regarding the implementation of recommended changes are outlined in the highlighted portions of the final draft of the IDP governing the Narcotics Bureau of the Criminal Investigation Division and a letter from Major McNamara, a copy of which is attached.

We are also revising forms used for the Expense Fund Voucher, Expense Fund Receipt, and Ledgers used for tracking Draws issued. These forms and reconciliation practices will be consistent throughout the department.

January 25, 2006

TO: G.H. WRIGHT  
Assistant Chief of Administration

FROM: G.M. McNAMARA, Major  
Criminal Investigations Division

REF: AUDIT OF EXPENSE AND INFORMANT FUNDS

The final recommendations of the audit conducted by Gary Chapman addressed the following:

ADDITIONAL SAFEGUARDS OVER FUNDS:

1. One division allowed sub-draws from recorded draws in an attempt to reduce paperwork and improve efficiency. By doing this, the custody and responsibility controls of the fund were bypassed.

Response: Concur. CID/Narcotics Bureau IDP 704.01 revised to read:

*For accounting purposes, no transfer of funds or "sub-draws" will occur. This does not prohibit an officer from providing funds for a single transaction wherein the officer making the expenditure and the possessor of the draw are present or can verify the expenditure. This rule is intended to prevent one officer transferring funds to another officer for use in cases wherein the possessor of the draw is not participating or present.*

2. Several draws, from all but a few of the funds, were found to be outstanding over 90 days. Draws should be requested when necessary for current investigations.

Response: Concur. The ledger sheet on which draws are issued/returned was modified to include a field that indicates the number of days a draw is opened. CID/Narcotics Bureau IDP 704.01 revised to read:

*The supervisor who completes the Petty Cash Reconciliation Form for each investigative fund will include a statement on the form that is mailed to General Accounting reflecting "a review of the ledger for this fund was conducted and the draws issued are not aged over 90 days;" an exemplar is attached. In the event that a draw remains opened for over 90 days, the supervisor completing the Petty Cash Reconciliation Form for each investigative fund will include a statement detailing the number of draws opened beyond 90 days and why the draws were not cleared.*

3. Each entity with an Expense and Informant Fund had its own Intra-Division Procedures (IDPs) controlling fund activities, but the requirements were not consistent. One division did not have specific IDPs and used another division's for guidance.

Response: Concur. Due to reorganization of the department, drug units were decentralized internally and necessitated revising our IDPs. Due to the wide range of investigative funds and their purpose, each unit needs specific guidelines to govern prudent use of monies. A suspense date should be set for CID/Narcotics, QUAD, IAB, and CIB to submit updated IDPs.

4. The established IDPs did not provide guidance as to appropriate use of the funds for equipment purchases. Funds should only be used to pay for confidential information or actual investigation expenses. To do otherwise would bypass the City's procurement procedures.

Response: Concur. CID/Narcotics Bureau IDP 704.01 revised to read:

***A supervisor prior to any items being bought must authorize all purchases of supplies and/or equipment. Purchases of supplies and/or equipment will be limited to exigent circumstances or an immediate investigative need. Monies from expense and informant's funds will not be used to circumvent normal procurement requirements and will not exceed \$500.00 without prior approval of the Division Commander.***

**Note: Each unit on a case-by-case basis should address this matter and the threshold amounts. The need for the Narcotics Bureau is predicated upon facilitating special investigations involving electronic surveillance equipment and/or mobile tracking.**

5. Each entity had its own system of filing and a few were not responsible for their document storage. Requiring each entity to maintain its files in a consistent manner and be responsible for its own records would provide additional safeguards over the funds.

Response: Concur. The current system requiring submission of each draw needs to be changed. The proposed suggestion would facilitate accountability and filing. CID/Narcotics Bureau IDP 704.01 revised to read:

***When an investigative fund is re-established, all draws issued from the previous funding will be cleared within 10 working days from the date the fund is brought back to its full balance. When all draws associated with the reconciliation of the advance are completed and approved by the custodian of the fund, they will be submitted to the Narcotics Bureau Commander for review and filing.***

It is suggested that these revisions be implemented in each division or bureau that has an investigative fund.

Respectfully Submitted,

G.M.McNAMARA, Major  
Criminal Investigations Division