

**CITY OF JACKSONVILLE
OFFICE OF THE SHERIFF
INVESTIGATIVE FUND AUDIT**

JANUARY 1 TO DECEMBER 31, 2003

JANUARY 14, 2005

REPORT NO. 600



INDEPENDENT AUDITOR'S REPORT

Report No. 600

We have examined the accompanying Schedule of Cash Receipts and Disbursements of the Criminal Investigative Fund of the Office of the Sheriff, City of Jacksonville for the year ended December 31, 2003. This statement is the responsibility of the Sheriff's Office Management. Our responsibility is to express an opinion on this statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining on a test basis, evidence supporting the Schedule of Cash Receipts and Disbursements and performing such other procedures, as we considered necessary in the circumstances. We also conducted our examination in accordance with Generally Accepted Governmental Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to afford a reasonable basis for our judgments and conclusions regarding the activity under audit. We believe that our examination provides a reasonable basis for our opinion.

We noted five issues involving non-compliance or weaknesses that we have reported to the management of the Office of the Sheriff, City of Jacksonville. Their responses to these matters have been incorporated into our attached report.

In our opinion, the Schedule of Cash Receipts and Disbursements referred to above presents the receipts and disbursements of the Criminal Investigative Fund of the Office of the Sheriff, City of Jacksonville for the year ended December 31, 2003, in all material respects, based on the requirements of Section 925.055 (2) Florida Statutes.

This report is intended for use in connection with the funds to which it refers in compliance with Section 925.055 (2) Florida Statutes and is to be used for no other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

January 14, 2005

Richard Wallace, C.P.A.
Council Auditor

**Investigative Fund Unit
Office of the Sheriff
Schedule of Cash Receipts & Disbursements
For the Year Ended December 31, 2003**

Prepared By: Maxine L. Person - CPA, CFE
Date Prepared: 02/19/04

Criminal Informant Investigative Fund

Balance - January 1, 2003		\$	153,953.67
	<i>Add Receipts</i>		
	(City) Receipts	\$ 182,522.00	
	(Other) Receipts	66,218.24	
	Total Receipts		\$ 248,740.24
	<i>Less Expenditures</i>		
	Organized Crime	\$ 158,534.68	
	Patrol	19,429.45	
	Community Affairs	-	
	Detectives	9,043.61	
	Intelligence	18,053.89	
	Integrity	-	
	Homeland Security	-	
	Total Expenditures		\$ 205,061.63
Balance - December 31, 2003		\$	197,632.28

Note: A material misstatement occurred in Investigative Fund "cash on hand" for the 2003 period. The defalcation, concealed by a lapping scheme, was discovered in January 2004 in the amount of \$4,420.

OFFICE OF THE COUNCIL AUDITOR
Suite 200, St. James Building



Report No. 600

Honorable Members of the City Council
City of Jacksonville

INTRODUCTION

Our examination of the cash receipts and disbursements related to the Criminal Investigative Fund for the period of January 1 through December 31, 2003 disclosed several findings. Items that we believe should be brought to your attention are set forth below.

CASH

Finding #1

The outgoing custodian and the incoming custodian are not performing a cash count when the custody of cash changes hands, in violation of Unit Procedure 9.1.2 Section VI.D. This Procedure states, “*When custody of cash changes hands for a reasonable period of time (one day minimum), both the outgoing custodian and the incoming custodian will perform a cash count.*” We noted during our fieldwork, that the Narcotics / Vice Division had adopted new procedures over cash handling whereby two Lieutenants and the Assistant Chief have access to the safe; the account technician no longer has access to the safe. Cash is counted and reconciled once a week. These new procedures are in use, but are not documented in the Unit Procedures.

Recommendation to Finding #1

We recommend that the Unit Procedure be modified to reflect the change in accountability and distribution of funds.

Sheriff's Office Response - #1

Concur. The Unit Procedure will be modified to reflect the change in accountability and distribution of funds.

Finding #2

(Finding noted as Internal Control Weakness in 2002.)

Unit Procedure 9.1.1 section III.B states, “...*On occasion, the combination will be changed.*”

This portion of the Unit Procedure does not dictate how often the combination to the safe that stores the Investigative Funds shall be changed.

Recommendation to Finding #2

We recommend that the language of this section be modified to include a length of time, at the end of which the combination to the safe will be changed (e.g. 12 months). This section should also mandate a combination change in the event that an individual who knows the combination leaves the Narcotics / Vice Unit.

Sheriff's Office Response - #2

Concur. Unit Procedure 9.1.3, Section III. C. has been changed effective September 8, 2004 as follows:

“The safe combination will be changed when any of the four individuals having knowledge of the combination, leave the unit or are reassigned to duties not requiring access to the safe.”

The unit procedure will be changed to reflect an additional requirement stating:

“The safe combination will be changed at a minimum every twenty-four months or when any of the four individuals having knowledge of the combination, leave the unit or are reassigned to duties not requiring access to the safe.”

DETECTIVE

Finding #3

We found that the receipt attached to the expenditure card did not tie to the expenditure amount. Specifically, an expenditure card totaling \$348.79 was supported by a hotel receipt totaling \$306.18, but the remaining \$42.61 was not supported.

Recommendation to Finding #3

We recommend that the Account Technician verify that the charges posted to the receipt attached to the Expense Card match the amount listed on the Expense Card and require the officer either submit appropriate, complete receipts or an approved Form-4 for explanatory purposes.

Sheriff's Office Response - #3

Concur. The Account Technician will verify the charges posted to the receipt attached to the Expense Card match the amount listed on the Expense Card, and require the officer to submit appropriate and complete receipts or an approved Form-4 for explanatory purposes.

Finding #4

We found three transactions where the Property Control Number was not listed on the expense card in violation of Operational Order 5.1.6 Section III.L. This Order states, *“The expenditure of funds from the Criminal Investigative Fund shall be documented in the form of any receipts, Expense Cards, Cash Receipt Cards, Returned Funds Forms, Informant Receipt Cards, and Charge Slips which are used during the investigation. Any property purchased with these funds shall be turned into the Property/Evidence Room and the Property Control Number*

noted in the report and on the expense card."

Recommendation to Finding #4

We recommend that the Commanding Officer verify that the expense card is filled out in its entirety prior to approval.

Sheriff's Office Response - #4

Concur. The Assistant Chief of Narcotics/Vice has investigated the expense cards and provided the appropriate property control numbers. The Commanding Officer will verify that expense cards are completed prior to approval.

EMERGENCY FUND

Finding #5

The appropriate person did not complete the charge slips authorizing the disbursement of funds for all of the emergency fund disbursements. Specifically, the charge slips were not completed by the Detective, Sergeant or Lieutenant who approved the disbursements of the funds, as required by Operational Order 5.1.6 X.A.3. This Order states, " *Before funds are received from the Property Room, the Detective, Sergeant or Police Lieutenant approving the disbursement of funds will complete a Charge Slip and give it to the detective / officer receiving the funds.*" Per the Sheriff's Office, the emergency fund is not used with enough frequency to warrant its existence.

Recommendation to Finding #5

We recommend that emergency funds be removed from the Property Room and the procedures be modified to direct officers to obtain all investigative funds from the appropriate personnel at the Narcotics/Vice Unit.

Sheriff's Office Response - #5

Concur. The emergency funds were removed from the Property Room and re-deposited into the Criminal Investigative Fund on September 9, 2004. Unit procedure 9.1.3 was updated to reflect this change.

Sincerely,

Richard Wallace, C.P.A.
Council Auditor

Audit Performed by:

Jennifer Spinelli, C.P.A.

Adam Mathews