



AUDITOR GENERAL

WILLIAM O. MONROE, CPA



DEPARTMENT OF LAW ENFORCEMENT

CRIMINAL JUSTICE STANDARDS AND TRAINING TRUST FUND AND ACCOUNTABILITY FOR EVIDENCE AND SEIZED PROPERTY

Operational Audit

SUMMARY

The audit of the Department of Law Enforcement (Department) focused on the collection and use of court costs and fees pursuant to Section 943.25, Florida Statutes, and accountability for evidence and seized property in the various evidence storage locations throughout the State. The audit included activities from July 2002 through January 2004. As summarized below, several areas relating to the use of the Criminal Justice Standards and Training Trust Fund (Trust Fund) for officer training need to be addressed. Additionally, the requirements specified in several sections of the Florida Statutes should be reevaluated given existing accounting, budgeting, and auditing practices.

Trust Fund

Finding No. 1: The funding methodology utilized in the Legislative Budget Requests (LBR) and the annual allocations to training regions for training courses established within the Criminal Justice Professionalism Program does not address several significant elements that impact overall training costs, such as the nature of the training provided, the number of officers trained, or the different cost structures associated with more complex curriculum.

Finding No. 2: In some instances, the Trust Fund provides funding for significantly less than 100 percent of the necessary and proper training costs, but the training schools do not report to the Criminal Justice Standards and Training Commission the costs paid from other sources, such as the Department of Education.

Department Audits

Finding No. 3: Department auditors do not determine the cost components of course cost rates for officers in their review of training school financial records. Our review disclosed prohibited costs included in the rates and incorrectly calculated rates.

Finding No. 4: Department auditors, during their review of training schools, do not verify reported interest earned on Trust Fund moneys transferred to and held by those schools.

Finding No. 5: Department audits of training schools are conducted two to three years after the close of the periods under audit. This delay may cause the findings to lose relevance when changes occur in personnel, curriculum, and applicable laws and rules governing officer training.

Statutory Matters

Finding No. 6: The Annual Seized and Forfeited Property Report compiled by the Department pursuant to Section 932.7055, Florida Statutes, is incomplete and inaccurate. Further, since it is not clear that this report is used by either the Department or other potential report users, the reporting requirement should be eliminated.

Finding No. 7: The Department should comply with Section 938.07, Florida Statutes, relating to the deposit of Driving Under the Influence (DUI) court costs or continue to seek statutory revisions to reflect current deposit and appropriation practices.

Given the existence of other statutory oversight processes, the Legislature should consider

eliminating the criminal justice selection center audit requirement specified in Section 943.2569, Florida Statutes.

BACKGROUND

The Criminal Justice Standards and Training Commission (Commission) within the Department of Law Enforcement (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 requirements¹.

The Criminal Justice Standards and Training Trust Fund² (Trust Fund) is utilized for a number of activities, including specialized and advanced training courses for Florida’s qualified individuals in criminal justice disciplines provided by 39 training schools³ located throughout the State. These schools are generally supported administratively by community colleges, technical centers, cities, counties, and law enforcement agencies.

The Trust Fund received an average of \$15.1 million annually over the last three fiscal years from court costs and fines that are levied in the county and circuit courts. In the 2003-04 fiscal year, court costs and fines composed 93 percent of total revenue to the Trust Fund. These court costs and fines are collected by the Clerks of the Circuit Courts and remitted to the Department of Revenue. The Department of Revenue then transfers these moneys to the Department and other State agencies as prescribed by law.

Another significant Department activity within our audit scope was evidence and seized property stored in Department facilities located in 22 Florida cities. Evidence can be submitted for analysis by any local or State law enforcement agency. A documented chain of custody must be maintained on every item coming under Department control. Evidence and seized

¹ Section 943.11, 943.12, and 943.17, Florida Statutes.

² Authorized by Section 943.25, Florida Statutes.

³ Number of facilities during the audit period.

property is stored in secured areas with limited access and its movement is controlled by an automated information management system.

FINDINGS AND RECOMMENDATIONS

Trust Fund

**Finding No. 1:
Funding of Officer Training**

The Trust Fund provides for the payment of necessary and proper expenses incurred by the operation of the Commission and the Criminal Justice Professionalism Program⁴. A significant component of the Professionalism Program is the ongoing training provided to qualified individuals in criminal justice disciplines.

For several years, the Legislature has provided about \$7 million in annual special education and technical training appropriations. However, neither the Department’s Legislative Budget Requests (LBR) nor the Commission’s annual training allocations provided to each regional training council adequately addressed significant elements that impact overall training costs. Examples would include the nature of the training to be provided, the number of officers to be trained, or the different cost structures associated with more complex curriculum. Additionally, the \$80 per officer training allocation amount does not represent an accurate amount needed to train an officer. These points are described below:

- Specifically related to the average annual \$7 million special education and technical training appropriation category:
 - As a condition of continued employment, officers must receive 40 hours of training every four years (see Finding No. 5 of Report No. 03-042, October 2002). Accordingly, as the number of officers increases over time, one would expect a corollary increase in officer training appropriations. However, the requested and appropriated amounts have, as shown

⁴ Section 943.09, Florida Statutes.

in Exhibit A, remained virtually unchanged for five of the last six years, even though the total number of officers has increased each year.

- The LBR narratives prepared by Department budget staff do not reference results of the regional training course budgetary process or other relevant documentation.
- The total annual regional training allocation is not directly tied into the LBR process, has consistently been less than the annual \$7 million appropriation, and has remained relatively constant for many years. Specifically related to this:
 - The Commission provides an annual training allocation that is generally based on a flat rate of \$80 per existing officer as noted in the table below. The \$80 rate encompasses the three categories of allowable Trust Fund training costs (direct training - 80 percent, operating capital outlay – 15 percent, and administrative - 5 percent).

Annual Officer Training Allocation			
Fiscal Year	Per Officer	No. of Officers	Total
1998-99	\$80	67,586	\$5,406,880
1999-00	\$80	68,585	\$5,486,800
2000-01	\$95	70,268	\$6,675,460
2001-02	\$95	70,855	\$6,731,225
2002-03	\$80	71,579	\$5,726,320
2003-04	\$80	71,586	\$5,726,880
2004-05	\$80	73,031	\$5,842,480

Source: Department compiled data

The disbursements related to the allocations are paid from the \$7 million appropriation category. The Trust Fund, by disbursing against training allocations instead of the special education and technical training appropriations, has experienced significant unused appropriation balances for three of the past five fiscal years as shown in Exhibit A.

- A regional allocation based on a flat rate applied to the officer population also would not be reflective of the nature of the training to be provided, the number of officers to be trained (see table below),

or the different cost structures associated with more complex curriculum.

- The regional training councils allocate their share of the Commission annual allocation to the training schools within their regions based on the number of officers within each school’s service area. Courses are planned based on these training school allocations; however, the \$80 per officer allocation is not reflective of the cost to provide officer training. For example:
 - Rule 11B-18.0053, Florida Administrative Code, defines the type of expenditures that can be made by training schools and mandates the percentages of total costs, for the three categories of allowable Trust Fund training costs, including that a minimum of 80 percent of the total cost by region shall be used for expenditures directly related to training. Our review of reported Trust Fund direct training expenditures (one category) by facilities within State regions showed a significant range of average direct training costs, as shown in the table below, all of which greatly exceed the \$80 per officer amount.

School Type	No. of Schools	Officers Trained	Average Cost Per Officer*	Total Training Cost
City	1	334	\$ 355.81	\$ 118,841
Community College	23	18,230	\$ 136.48	2,488,093
County	3	3,918	\$ 141.25	553,407
State Agencies	4	590	\$ 449.69	265,317
State - DOC	1	8,017	\$ 169.70	1,360,454
Technical	7	3,767	\$ 120.07	452,292
Total	39	34,856		\$ 5,238,404

*Reasons for cost variances include different subject matter, cost efficiencies, volunteer instructors, and Department of Education (DOE) funding (pursuant to Chapter 1008, Florida Statutes).

Source: 2002-03 Actual Trust Fund Training Cost Data

- In addition to the large differences between the annual regional training allocation rate (\$80) and the actual direct training costs per officer, we found that the Commission does not receive training cost figures that are representative of the total training costs (e.g., Trust Fund and DOE funded). Dual funding of officer training is discussed in **Finding No. 2**.

Recommendation: We recommend that the Commission, the Department, DOE, the regional training councils, and the individual training schools jointly review, from a Statewide

perspective, the funding and training cost issues of the Criminal Justice Professionalism Program. The review should focus on developing a funding methodology and processes that will result in demonstrable links between appropriation requests and annual allocations to training regions. At a minimum, the LBR and regional training allocations should address the nature of the training to be provided, the number of officers to be trained, or the different cost structures associated with more complex curriculum. Appropriate consideration should be given to any need for statutory or Florida Administrative Code Rule revision.

Finding No. 2: Trust Fund Usage for Total Training Costs

By statute and rule, the State has enacted accountability and financial control measures over officer training courses. The use of Trust Fund moneys is prohibited for recurring expenses such as liability insurance, utilities, and office furniture (e.g., facility-related costs)⁵ and, as a result, the training schools retain responsibility for such costs. Additionally, community colleges that administer training schools can utilize DOE appropriations to assist in the funding of officer training courses, subject to the accountability and financial control measures of the State educational system. However, under the current training cost reporting processes, the training schools only report Trust Fund training expenditures. As a result, training costs reported to the Department and the Commission do not reflect the full cost and dual funding of officer training courses.

We reviewed course data from a number of training schools of which seven (under the administrative oversight of community colleges) provided advanced and specialized officer training courses.

- By reviewing data in this manner, we noted that dual funding (DOE and the Department) for 42 training courses resulted in Trust Fund expenditures ranging from 25 to 93 percent of total direct training costs.

- This dual funding structure also has the potential of allowing local and State institutions that host training schools to overfund these courses (i.e., recoup more than the actual costs). We noted that one of the seven training schools was utilizing amounts from both funding sources which exceeded course costs.

Recommendation: As part of the review recommended in Finding No. 1, the Commission, the Department, the training schools, the Legislature, the Governor's Office, and DOE should explore ways to share complete information on the costs of officer training courses. One goal of this effort should be consensus on funding levels on a Statewide basis (from both the Department and DOE) and the reporting of all training costs and funding sources to the Commission (which may deter overfunding certain courses).

Department Audits

The Department has established a postaudit function and a real-time monitoring process associated with officer training at the schools supported by the Trust Fund. Individuals in dedicated audit and monitoring positions used a variety of tools and techniques to provide assurances that courses were conducted and costs reported via year-end fiscal reports in compliance with applicable laws and rules.

Finding No. 3: Analysis of Course Cost Rates

Training schools that are under the administrative oversight of community colleges calculate an estimated course cost rate per officer. This rate usually includes the direct course costs such as the instructor wages, any contract costs, and course materials. Some schools may group these cost categories under the term tuition. The course cost rate per officer multiplied by the actual number of officers taking the course is the basis for the training costs by course that are reported to the Commission.

As part of the postaudit function, Department auditors compare training school records to school-reported financial and course data, Florida

⁵ Rule 11B-18.0053, Florida Administrative Code.

Administrative Code requirements, and training school procedures manuals. A detailed audit checklist is used to facilitate the process. The checklist utilized by the Department auditors includes a step to determine the course “tuition” rates and provide explanatory notes as appropriate. However, the audit checklists we examined lacked notations that would have documented the performance of this procedure. We also confirmed that the Department auditors only verify the math in the calculation of total course costs on the Trust Fund Year End Fiscal Report (rate times the number of officers), rather than reviewing the cost components of the course “tuition” rates.

Based on additional data we reviewed, we identified other issues that did not appear to be addressed by the audit process. Specifically, from course financial data obtained from training schools’ administrative organizations (community colleges), we noted the following:

- Information from one community college was sufficiently detailed to show that recurring facility costs, which are prohibited by Rule⁶, were included in the rates used to report Trust Fund training costs. Allowable Trust Fund expenditures should only include direct costs relating to training, operating capital outlay, and administration. The inappropriate recurring facility cost from one such course totaled \$1,670.40, or \$34.80 per officer.
- In addition to including prohibited costs in the rates, this same training school utilized rates that should have been timely revised when the actual number of officers trained was other than the estimated number upon which the initial rates were determined. For example, a course rate is based on certain fixed and variable costs. Fixed costs (\$3,000 for contract instruction) are paid irrespective of how many officers attended, while variable costs fluctuate based on the number of officers actually trained. The table below highlights the differences between direct course costs paid from the Trust Fund and reported to the Commission and the allowable costs.

Estimated and Actual Course Costs			
	Officers	Rate	Cost
Estimate	48	99.53	\$ 4,777
Actual	51	99.53	\$ 5,076 *
Per Audit			
Fixed:		N/A	\$ 3,000
Variable:			
Actual 51		2.67	136
Actual 51		61.49	\$ 3,136
*Reported to Commission and includes \$1,670 in prohibited costs.			

Therefore, the total course cost should have been reported as \$3,136.17 based on a rate of \$61.49 per officer.

Recommendation: We recommend that the Department auditors follow their audit guidance and, specifically for course cost rates utilized by training schools, determine whether rates used are in compliance with applicable laws and rules. In those instances where course costs were inappropriately applied against Trust Fund moneys, refunds or offsets to subsequent year budget allocations should be obtained.

**Finding No. 4:
Verification of Interest Earned by Schools**

Training schools, unless otherwise prohibited by law, are authorized to invest the grants and aids moneys and utilize any interest earnings in the following fiscal year upon specific budget approval. Any unexpended and unbudgeted interest earnings must be refunded.

Our review of audit checklists and associated procedures performed by Department auditors at each training school location showed the absence of an audit step to verify school reported interest to actual bank or investment company records or to verify that all available Trust Fund balances had been invested. Interest reported totaled \$12,240.45 and \$10,394.53, respectively, by 12 schools in the 2001-02 fiscal year and by 11 schools in the 2002-03 fiscal year. Department management confirmed our observation that all other schools for these two years reported no interest earnings. Absent the verification of interest earned on Trust Fund moneys and the investment of all available balances, the Department lacks assurance that all amounts have been reported.

⁶ Rule 11B-18.0053(2c), Florida Administrative Code.

Recommendation: We recommend the Department include an audit step to verify the interest earned on Trust Fund moneys and to determine the validity of reasons why schools reported no interest earnings.

**Finding No. 5:
Audit Schedule Time Lag**

Our observation of the Department audit process and interviews with applicable staff indicated that insufficient resources are assigned to conduct audits as presently designed. Therefore, while a plan to audit all of the schools requiring audits each year exists, the ability to accomplish the audit plan is questionable. We found that, generally, these audits are conducted, and audit findings are presented to training schools' management, two to three years after the close of the period under audit.

The Department has three auditors classified as Research and Training Specialists that conduct the audits. These auditors are required to perform other duties unrelated to the audit process and the position descriptions that define their responsibilities allocate only 25 percent of their total time to training school audits.

Audit findings are presented to training school management for response which is included in the audit report. A typical audit outcome is the final determination of unexpended Trust Fund moneys to be refunded. When the audit of a training school is conducted after a lengthy period of time, some findings may no longer be relevant and the training school's ability to respond to the findings may be diminished.

We noted the existence of a training school monitoring process in addition to the audit process. Department field representatives are assigned to specific training schools and observe courses in progress and examine certain course documentation. This presence in the training schools provides the Department with some assurance that the courses are conducted in compliance with applicable laws and rules.

Recommendation: To promote timely audits and corrective actions by the schools, the Department should consider the use of a risk-based audit methodology to identify which schools to audit on a cyclical basis. The methodology should incorporate appropriate weighting factors that identify those schools with the highest risk of deficiencies and the inappropriate use of Trust Fund moneys. Also, we recommend that the Department review its monitoring and auditing processes for compliance and reporting issues that can be documented during or shortly after course completion. For example, the field representatives may be able to attest to the instructor qualifications and officer attendance records allowing auditors to focus on other issues.

Statutory Matters

**Finding No. 6:
Seized and Forfeited Property Report**

The Annual Seized and Forfeited Property Report (Annual Report) is a Department compilation of seized and forfeited property and any collections or expenditures made from property sales proceeds reported semiannually by all local (357) and State (48) law enforcement agencies (with September 30, and June 30, fiscal year ending dates, respectively). Statutes⁷ require all law enforcement agencies to submit semiannual reports of seized and forfeited property that identify the type, value, court case number, type of offense, disposition of property received, and any proceeds received or expended. The Department submits the annual report to the Legislature's House and Senate Criminal Justice oversight committees.

The labor-intensive Department process used to compile the annual reports did not include reasonable procedures necessary to verify data submitted by law enforcement agencies. Our analysis of the 2003 State Annual Report, local and State agencies' semiannual reports, and other records disclosed errors and omissions such as:

⁷Section 932.7055(8)(a), Florida Statutes.

- Previous ending balances did not agree with current period beginning balances,
- Semiannual report data was not compiled into the annual report correctly,
- Semiannual reports submitted without all required report information and attachment pages, and
- Ten local and two State entities that did not initially submit the required reports did so (with one exception) subsequent to the Department's report to the Legislature.

While the Department and most all 405 law enforcement agencies have expended a considerable amount of time to produce reports, conclusions drawn from the annual report may be flawed because of the incomplete and erroneous report information.

From our discussions with potential report users, we did not identify a strong interest in the report, and in response to audit inquiries, Department personnel questioned the necessity of the data compilation process.

Recommendation: As the report does not appear to be used by either the Department or the Legislature, we recommend that Florida Statutes be revised to eliminate the reporting requirements. If this action is not pursued or is unsuccessful, the Department should enhance its policies and procedures to provide more accurate and complete reporting. For example, the Department should consider the implementation of a Web-based reporting module given the volume of information required from every city, county, and State law enforcement agency.

Finding No. 7: Statutory Revisions

In audit report No. 03-042, October 2002, we reported that, contrary to a provision in Section 938.07, Florida Statutes, the Department deposited the \$50 portion of the \$135 Driving Under the Influence (DUI) court costs in a different trust fund. During our current audit we noted continued noncompliance with this law.

We were advised by the Department's General Counsel that language to correct this situation was

placed in a 2003 legislative bill, but that it did not become law. A similar effort was not made during the 2004 Legislative Session but may be made in 2005. The General Counsel also indicated, in the absence of statutory revision, the Legislature and the Department will continue to use the Operating Trust Fund for specific activities required by law to occur in the Criminal Justice Standards and Training Trust Funds.

Recommendation: We recommend that the Department comply with Section 938.07, Florida Statutes, or seek an amendment to this Statute to authorize the deposit into the Operating Trust Fund.

Florida law⁸ authorizes the creation of criminal justice selection centers in order to achieve efficiencies in identifying qualified candidates and officers for criminal justice agencies throughout the State. These centers must be under the direction and control of a postsecondary public school or a criminal justice agency. An advisory council⁹, composed of 11 members selected by the county or municipal law enforcement or corrections agencies that use the selection center's services, provides oversight of the selection center. The Commission also provides oversight of the selection process through the use of FDLE employees acting on behalf of the Commission for approvals of equivalency of training and basic abilities testing. FDLE staff acting on behalf of the Commission also review the officer's file for compliance regarding minimum qualifications¹⁰.

An additional aspect of accountability over each of the 11 selection centers is the requirement for a financial audit as specified in Section 943.2569, Florida Statutes. The community colleges and sheriff that administer the selection centers are required to have annual financial audits pursuant to Sections 11.45(2)(c) and 218.39(1), Florida Statutes, respectively.

Since the Advisory Council and Commission provide statutory oversight of the centers, and there are existing financial audit requirements of the agencies

⁸ Section 943.256, Florida Statutes.

⁹ Section 943.2561-.2563, Florida Statutes.

¹⁰ Section 943.13, Florida Statutes.

(community colleges and sheriff) that administer the centers, the need for the separate audit requirement in Section 943.2569, Florida Statutes, is not apparent.

Recommendation: To acknowledge the accountability processes that are currently in place, we recommend that:

- The Legislature consider elimination of the audit requirement specified in Section 943.2569, Florida Statutes, and consistent with such elimination, revise Section 943.257, Florida Statutes, to provide that the Advisory Council and Commission may inspect and copy any documents from the centers to carry out their oversight responsibilities, including obtaining information about applicant evaluations and expenditures.
- The Department employees, acting on behalf of the Commission, when necessary, perform procedures to obtain the desired assurances if an immediate information need by the Commission occurs.

OBJECTIVES, SCOPE, AND METHODOLOGY

This operational audit focused on the sources and uses of criminal justice trust fund collections and the accountability and physical security of evidence in the Department evidence storage and analysis centers. Our objectives were:

- To determine whether the Department is in compliance with Section 943.25, Florida Statutes, with regard to the receipt, deposit, and use of criminal justice trust funds.

- To determine whether the Department has complied with controlling laws, rules and regulations pertaining to evidence and seized property and to determine if controls over physical security and accountability have been established.

In conducting our audit, we interviewed Department personnel, observed processes and procedures, examined transactions and records (as well as events and conditions), and performed various other procedures as deemed necessary in the circumstances.

Our audit included examinations of various transactions (as well as events and conditions) occurring during the period July 2002 through January 2004.

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.



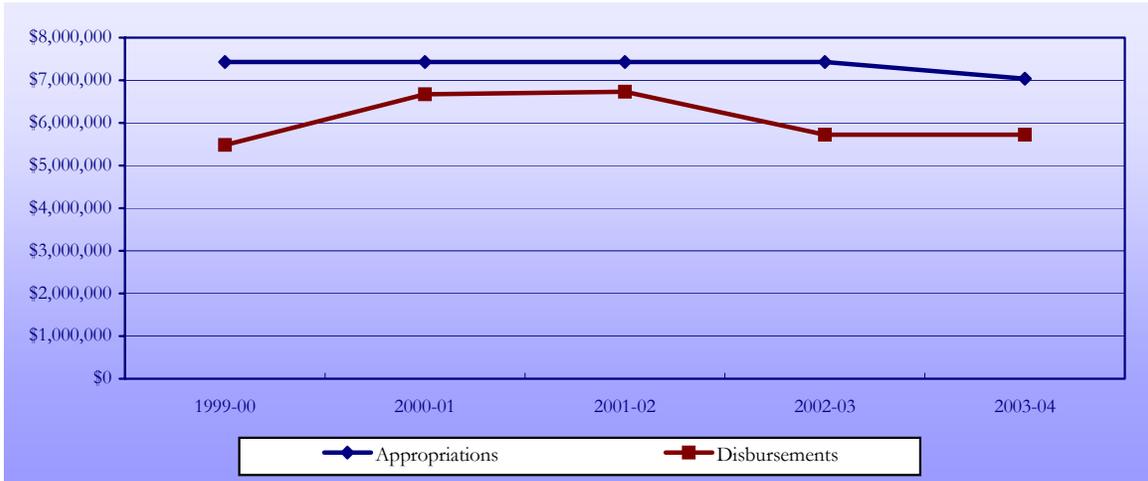
William O. Monroe, CPA
Auditor General

AUDITEE RESPONSE

In a letter dated October 4, 2004, the Commissioner generally concurred with our findings and recommendations and described corrective actions already taken or planned for future implementation. This letter is included in its entirety at the end of this report.

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 Carol B. Shotwell, CPA, and supervised by Ben H. Cox, CPA. Please address inquiries regarding this report to Laurence W. Noda, CPA, Audit Manager, via E-mail at larrynoda@aud.state.fl.us or by telephone at (850) 487-9112. 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).

EXHIBIT A
CRIMINAL JUSTICE STANDARDS AND TRAINING TRUST FUND
GRANTS AND AIDS SPECIAL EDUCATION/TECHNICAL TRAINING APPROPRIATION CATEGORY
(HISTORICAL PERSPECTIVE AND SELECT 2003-04 FISCAL YEAR DATA)



The chart above shows two trend lines representing the appropriations and associated cash disbursements for the Grants and Aids Special Educational/Technical Training category from the 1999-00 to the 2003-04 fiscal years. The pie chart below represents Trust Fund 2003-04 fiscal year cash disbursements from all appropriation categories.

Appropriation Category		Disbursements	Grants and Aids		
			Fiscal Year	Appropriations	Disbursements
Miscellaneous			1999-00	\$7,434,460	\$5,486,720
Transfer Domestic Security		\$ 4,750	2000-01	\$7,434,460	\$6,675,460
Salary Incentive Payments		5,287	2001-02	\$7,434,460	\$6,731,225
Risk Management Insurance		10,340	2002-03	\$7,434,460	\$5,726,320
Refund State Revenues		12,266	2003-04	\$7,040,924	\$5,726,880
Subtotal		32,643	2004-05	\$6,240,924	
Transfer to Division of Administrative Hearings		61,047	Source: Central Accounting Component, FLAIR.		
Operating Capital Outlay		129,464			
Other Personal Services		1,143,918			
Service Charge to General Revenue		1,145,070			
Domestic Security		1,491,501			
Expenses		2,585,593			
Grants and Aids - Special Education and Technical Training		5,726,880			
Salaries and Benefits		6,591,268			
Total		\$18,907,384			

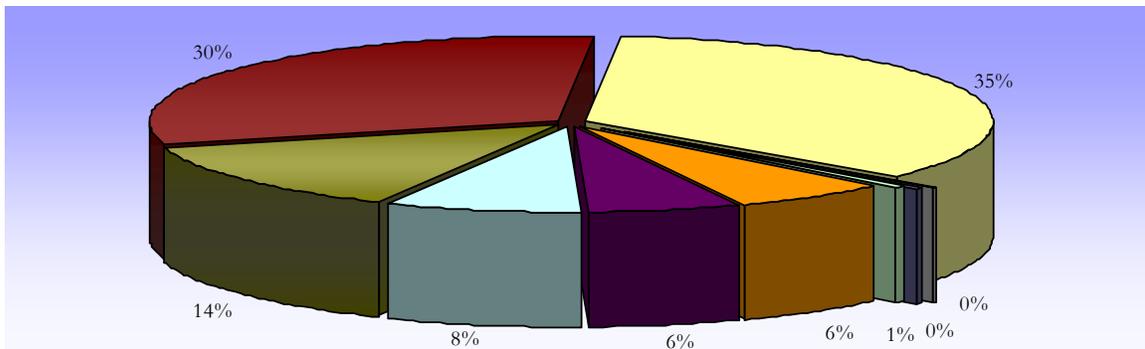


EXHIBIT B
AUDITEE RESPONSE



Florida Department of
Law Enforcement

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Tom Gallagher, *Chief Financial Officer*
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October 4, 2004

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:

**Florida Department of Law Enforcement
Criminal Justice Standards and Training Trust Fund and
Accountability for Evidence and Seized Property
For the Period July 2002 through January 2004.**

Your findings and our related explanations or our descriptions of actual or proposed corrective actions initiated by the Florida Department of Law Enforcement are enumerated below:

Recommendation #1: We recommend that the Commission, the Department, DOE, the regional training councils, and the individual training schools jointly review, from a Statewide perspective, the funding and training cost issues of the Criminal Justice Professionalism Program. The review should focus on developing a funding methodology and processes that will result in demonstrable links between appropriation requests and annual allocations to training regions. At a minimum, the LBR and regional training allocations should address the nature of the training to be provided, the number of officers to be trained, or the different cost structures associated with more complex curriculum. Appropriate consideration should be given to any need for statutory or Florida Administrative Code Rule revision.

FDLE Response: The Department agrees that it would be beneficial to review funding and training cost issues from a statewide perspective. The Department will organize a meeting between the entities named in the recommendation to discuss the funding methodology and processes. Recommendations developed from said meeting will be considered during the Department’s preparation of the 2006-07 Legislative Budget Request (LBR).

Recommendation #2: As part of the review recommended in Finding No. 1, the Commission, the Department, the training schools, the Legislature, the Governor’s Office, and DOE should explore ways to share complete information on the costs of officer training courses. One goal of this effort should be consensus on funding levels on a Statewide basis (from both the Department and DOE) and the reporting of all training costs and funding sources to the Commission (which may deter overfunding certain courses).

FDLE Response: The Department agrees that it would be beneficial to explore ways to share information on training course costs. The Department will organize a meeting between the entities named in the recommendation to discuss the funding and reporting of training costs.

EXHIBIT B (CONTINUED)
AUDITEE RESPONSE

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Recommendation #3: We recommend that the Department auditors follow their audit guidance and, specifically for course cost rates utilized by training schools, determine whether rates used are in compliance with applicable laws and rules. In those instances where course costs were inappropriately applied against Trust Fund moneys, refunds or offsets to subsequent year budget allocations should be obtained.

FDLE Response: The Department's auditors will assure that this is not an isolated incident and course costs are appropriately applied against Trust Fund moneys in a sample of audits to be conducted this fiscal year on 2003-2004 records. Audit guidelines currently contain a requirement to request reimbursement of inappropriate expenditures charged to the trust fund and auditors will continue to ensure that this is followed.

Recommendation #4: We recommend the Department include an audit step to verify the interest earned on Trust Fund moneys and to determine the validity of reasons why schools reported no interest earnings.

FDLE Response: The Department agrees that there should be verification of interest earned on Trust Fund moneys. The Department has implemented a process to verify interest earned in this fiscal year's audits.

Recommendation #5: To promote timely audits and corrective actions by the schools, the Department should consider the use of a risk-based audit methodology to identify which schools to audit on a cyclical basis. The methodology should incorporate appropriate weighting factors that identify those schools with the highest risk of deficiencies and the inappropriate use of Trust Fund moneys. Also, we recommend that the Department review its monitoring and auditing processes for compliance and reporting issues that can be documented during or shortly after course completion. For example, the field representatives may be able to attest to the instructor qualifications and officer attendance records allowing auditors to focus on other issues.

FDLE Response: The Department agrees that audits should be timely to allow for implementation of corrective actions. The Department has made internal changes that will result in more timely audits during the next audit period.

Additionally, the Commission has approved a form of risk-based auditing to be implemented this fiscal year.

Recommendation #6: As the report (Seized & Forfeited Property) does not appear to be used by either the Department or the Legislature, we recommend that Florida Statutes be revised to eliminate the reporting requirements. If this action is not pursued or is unsuccessful, the Department should enhance its policies and procedures to provide more accurate and complete reporting. For example, the Department should consider the implementation of a Web-based reporting module given the volume of information required from every city, county, and State law enforcement agency.

FDLE Response: The Department agrees that semiannual forfeiture reports and the requirement for the Department to compile information from such reports into an annual report to the criminal justice committees of the Legislature is not utilized and should be discontinued. The Department will monitor legislative proposals and will seek a mechanism to propose an amendment to remove the reporting requirements.

Procedures have been implemented to minimize the type of reporting errors that were disclosed in the audit.

EXHIBIT B (CONTINUED)
AUDITEE RESPONSE

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Recommendation #7 Part I: We recommend that the Department comply with Section 938.07, Florida Statutes, or seek an amendment to this Statute to authorize the deposit into the Operating Trust Fund.

FDLE Response: Agree. The Department will propose an amendment to Section 938.07, Florida Statutes, during the 2005 Legislative Session to authorize the deposit of the Department's portion of the DUI court costs into the Operating Trust Fund.

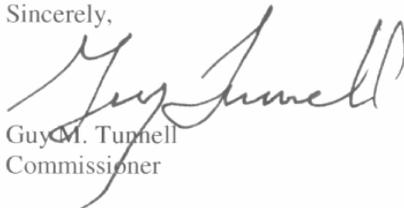
Recommendation #7 Part II: To acknowledge the accountability processes that are currently in place, we recommend that:

- The Legislature consider elimination of the audit requirement specified in Section 943.2569, Florida Statutes, and consistent with such elimination, revise Section 943.257, Florida Statutes, to provide that the Advisory Council and Commission may inspect and copy any documents from the centers to carry out their oversight responsibilities, including obtaining information about applicant evaluations and expenditures.
- The Department employees, acting on behalf of the Commission, when necessary, perform procedures to obtain the desired assurances if an immediate information need by the Commission occurs.

FDLE Response: The Department agrees with the recommendation to the Legislature regarding revisions to the above referenced statute. The Department will propose the statutory changes.

The recommendations in your audit report are 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,



Guy M. Tunnell
Commissioner

GMT/ALD/dkk