

**TAMPA POLICE DEPARTMENT
LEGAL AND FORFEITURE UNIT
LAW ENFORCEMENT TRUST FUND
AUDIT 15-14
FEBRUARY 12, 2016**



CITY OF TAMPA

Bob Buckhorn, Mayor

Internal Audit Department

Christine Glover, Internal Audit Director

February 12, 2016

Honorable Bob Buckhorn
Mayor, City of Tampa
1 City Hall Plaza
Tampa, Florida

RE: Law Enforcement Trust Fund, Audit 15-14

Dear Mayor Buckhorn:

Attached is the Internal Audit Department's report on the Law Enforcement Trust Fund.

We thank the management and staff of the Tampa Police Department for their cooperation and assistance during this audit.

Sincerely,

/s/ Christine Glover

Christine Glover
Internal Audit Director

cc: Eric Ward, Chief of Police
Sonya Little, Chief Financial Officer
Kirby Rainsberger, Legal Advisor

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/s/ Sterling Thomas

Auditor

/s/ Christine Glover

Audit Director

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BACKGROUND

The City of Tampa (City), under the administration of the Tampa Police Department (TPD), has established four financial funds collectively referred to and reported on as the Law Enforcement Trust Fund (LETF). The four funds are:

- LETF – State Forfeiture (State)
- LETF – Federal Forfeiture-Treasury (Treasury)
- LETF – Federal Forfeiture-Justice (Justice)
- LETF – Police Confiscated Money-Pending (Pending)

Florida state law establishes that assets including but not limited to currency, vehicles, and other personal or real property (collectively referred to as contraband) that are used in the commission of, or acquired from the proceeds from a commission of, a felony or violation of the Florida Contraband Forfeiture Act (Forfeiture Act) may be seized by and forfeited to law enforcement agencies. For the City, such contraband is recorded in the City's State fund. The City's management of the State fund and the use of any assets in the State fund are subject to the restrictions and guidance of Florida state law, specifically the Forfeiture Act.

TPD is also authorized to request and receive an equitable share of proceeds attained in a federal forfeiture achieved through the operations of TPD in conjunction with federal agencies involving a violation of federal law and in compliance with federal and state law and internal guidelines. The Justice and Treasury funds consist of assets obtained through these requests, and these two funds are subject to federal law and the requirements of the Guide to Equitable Sharing as published by the Department of Justice and the Treasury Department, respectively.

The Pending fund is the holding location for funds that have been seized by TPD but have not yet had a full determination of ownership. As such, the fund is subject to internal accounting restrictions.

As of August 2015, for fiscal year 2015, the City had brought in approximately \$1.3M, spent approximately \$4.2M (with \$3M dedicated for the new TPD shooting range), and had approximately \$7.5M available across the State, Justice, and Treasury funds with an additional \$1.1M in the Pending fund. Again, however, usage of any available balance is subject to the terms and restrictions of the governing documents and regulations and the approval of the City's leadership and administration.

TPD keeps track of all forfeiture activity through hard-copy files and in an internal database. The needs of TPD for keeping track of all forfeiture activity have outgrown the initially designed capacity of this internal database, and as a result, TPD is currently working to replace this database with a more modern system capable of fitting current needs.

STATEMENT OF OBJECTIVES

This audit was conducted in accordance with the Internal Audit Department's FY2015 Audit Agenda. The objectives of this audit were to ensure that:

1. The City of Tampa is complying with internal and external (state) requirements for the attainment and recording of assets including vehicles, cash, and personal or real property.
2. The City of Tampa is complying with federal Department of Justice and Treasury Department requirements regarding the acceptance, recording, maintenance, use, and reporting of shared assets.

STATEMENT OF SCOPE

The audit covered LETF activity that occurred during the City's 2015 fiscal year. Original records as well as copies were used as evidence and verified through observation and physical examination.

STATEMENT OF METHODOLOGY

To achieve the audit objectives, we assessed internal controls based on a series of interviews with staff, reviewed available documentation regarding policies and procedures, assessed the reliability of available data, and reviewed applicable external laws and regulations. We assessed the risk to the City associated with the LETF and recent activities and processes. Based on this risk analysis, we selected a few incidents from the City's 2015 fiscal year for limited testing with internal and external guidelines and requirements.

STATEMENT OF AUDITING STANDARDS

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT CONCLUSIONS

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

1. The City of Tampa is complying with internal and Florida state requirements for the attainment and recording of assets including vehicles, cash, and personal or real property.
2. The City of Tampa is complying with federal Department of Justice and Treasury Department requirements regarding the acceptance, recording, maintenance, use, and reporting of shared assets.

While the recommendation discussed below may not significantly impair LETF operations, it does present a risk that can be more effectively controlled. Before we completed our audit, TPD personnel committed to addressing the Internal Audit Department's recommendation.

UPDATING POLICIES AND PROCEDURES

STATEMENT OF CONDITION: The policies and procedures being followed by the Forfeiture Unit (FU) have not been completely documented as currently conducted. We requested policies and procedures related to the Law Enforcement Trust Fund (LETF) at the beginning of our audit. We received a series of Intra-Division Procedures that speak to the roles and responsibilities of the FU as a whole and the individual members of the FU in addition to a general description of the Forfeiture Procedures. These documents date back to 2008. In conversations with members of the FU and other members of both the Tampa Police Department and Department of Finance, we are aware of more detailed procedures currently carried out by City employees in relation to the operation of the LETF that are not documented in the policies and procedures that were provided to us upon request in this audit.

CRITERIA: City Ordinance Chapter 2, Section 2-46 requires departments “to create and maintain all records with adequate and proper documentation of the organization, together with the functions, policies, decisions, procedures, and essential transactions, of the department.”

CAUSE: Intra-Division Procedures have not been updated to account for all of the current activities and responsibilities of the FU and other City employees in relation to the activities involving the LETF.

EFFECT OF CONDITION: Non-compliance with City Ordinance resulting in inconsistent application of processes could result in violations of internal protocol or external regulation. Further, reliance on the undocumented knowledge of current employees could lead to inconsistent activity in the event that a current employee leaves his or her current position.

RECOMMENDATION: In order to be effective, all policies and procedures should be up-to-date and complete and document approval by the Chief of Police. Management should update current Intra-Division Procedures to cover the current full range of activities and responsibilities concerning the LETF and obtain final documented approval by the Chief of Police as soon as possible.

MANAGEMENT RESPONSE: Agree with the recommendation. All Intra-Division Procedures relating to the LETF have been updated and revised to more accurately reflect the duties and responsibilities of Forfeiture Unit personnel.

TARGET IMPLEMENTATION DATE: completed January 22, 2016