

STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

CENTRAL MINNESOTA VIOLENT OFFENDER TASK FORCE

SAINT CLOUD, MINNESOTA

AGREED-UPON PROCEDURES

July 29, 2014

Description of the Office of the State Auditor

The mission of the Office of the State Auditor is to oversee local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities.

Through financial, compliance, and special audits, the State Auditor oversees and ensures that local government funds are used for the purposes intended by law and that local governments hold themselves to the highest standards of financial accountability.

The State Auditor performs approximately 160 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office currently maintains five divisions:

Audit Practice - conducts financial and legal compliance audits of local governments;

Government Information - collects and analyzes financial information for cities, towns, counties, and special districts;

Legal/Special Investigations - provides legal analysis and counsel to the Office and responds to outside inquiries about Minnesota local government law; as well as investigates allegations of misfeasance, malfeasance, and nonfeasance in local government;

Pension - monitors investment, financial, and actuarial reporting for approximately 730 public pension funds; and

Tax Increment Financing - promotes compliance and accountability in local governments' use of tax increment financing through financial and compliance audits.

The State Auditor serves on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

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**Audit Practice Division
Office of the State Auditor
State of Minnesota**

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INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Ms. Kristin Lail, Program Administrator
Minnesota Department of Public Safety

Central Minnesota Violent Offender Task Force
Oversight Committee

We have performed the procedures enumerated below, which were agreed to by the Minnesota Department of Public Safety and the Central Minnesota Violent Offender Task Force, solely to assist you in determining that the Central Minnesota Violent Offender Task Force followed policies and procedures regarding accounting for seized funds and property and related forfeitures and the use of confidential/drug buy funds. These procedures were applied to the Central Minnesota Violent Offender Task Force records for the 12-month period ending April 30, 2014. The Central Minnesota Violent Offender Task Force's management is responsible for the records of the Task Force. This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Minnesota Department of Public Safety and the Central Minnesota Violent Offender Task Force. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. Procedure

Determine that seized funds and property and related forfeitures are accounted for in accordance with policies, procedures, and regulations.

Findings

We obtained a listing of all property seized subject to forfeiture for the 12-month period ending April 30, 2014. The 14 items on the list consisted of cash, vehicles, and firearms. We selected 5 cases for testing which included 4 cash seizures, 1 firearm seizure, and 2 vehicle seizures. We traced the documentation of the activity for each selected item from the point of seizure to the record of the item being held in forfeiture pending judicial order or to the forfeiture record for closed cases, as applicable. We noted the following:

- 4-04.2.1 of the Multijurisdictional Task Force Operating Procedures and Guidelines Manual states that when property is seized, a Notice of Seizure and Intent to Forfeit Property form and receipt must be completed for the items seized. Of the cases tested, three of them included items seized that were included in a Notice of Seizure and Intent to Forfeit Property form but a receipt was not prepared for those items.
- 3-14.5.2 of the Multijurisdictional Task Force Operating Procedures and Guidelines Manual states that a Seized Evidence Currency Log should be completed for all currency seized. For two of the cash seizures tested, a Seized Evidence Currency Log was not completed. Further explanation was provided by the Commander indicating that these seizures took place in Todd County where their policies do not require currency logs to be completed.

2. Procedure

Determine that the use of confidential/drug buy funds is accounted for in accordance with policies, procedures, and regulations.

Findings

We obtained a listing of all purchases made with buy funds for the 12-month period ending April 30, 2014. Buy funds are kept in a locked safe in the Task Force office. Either the Commander or the Task Force Team Lead will replenish the buy funds by cashing a check written from the Task Force bank account and signed by the Commander and the Team Lead. Buy funds are generally used for payments to confidential informants (CI) for services, drug purchases, and flash money. We selected 14 of the 398 items on the list to trace the documentation of activity from the point of request for buy funds to approval. Of the 14 items selected, 7 were payments to CIs for services, and 7 were for purchases of evidence. We noted the following:

- 3-12.10 of the Multijurisdictional Task Force Operating Procedures and Guidelines Manual requires all payments for information or services to be documented on a receipt that is signed by the CI. We noted one payment to a CI for services that was not signed by the CI.

- 3-13.6 of the Multijurisdictional Task Force Operating Procedures and Guidelines Manual requires the Commander to provide final authorization of all expense forms. For one of the disbursements tested, there was no signature from the Commander on the expense form.

* * * * *

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Minnesota Department of Public Safety and the Central Minnesota Violent Offender Task Force and is not intended to be, and should not be, used by anyone other than those specified parties.

/s/Rebecca Otto

REBECCA OTTO
STATE AUDITOR

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

July 29, 2014