

STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

NORTH CENTRAL DRUG TASK FORCE
MILACA, MINNESOTA

AGREED-UPON PROCEDURES

October 14, 2013

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.

Office of the State Auditor
525 Park Street, Suite 500
Saint Paul, Minnesota 55103
(651) 296-2551
state.auditor@osa.state.mn.us
www.auditor.state.mn.us

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

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REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Ms. Kristin Lail, Grants Coordinator
Minnesota Department of Public Safety

We have performed the procedures enumerated below, which were agreed to by the Minnesota Department of Public Safety and the North Central Drug Task Force, solely to assist you in determining that the North Central Drug 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 North Central Drug Task Force records for the period beginning November 1, 2012, and ending August 28, 2013. The North Central Drug 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 North Central Drug 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 period beginning November 1, 2012, and ending August 28, 2013. The 57 cases on the list consisted of cash, vehicles, firearms, and collector's currency. We selected 5 cases for testing, which included 3 cash seizures, 1 vehicle seizure, and 2 firearm 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:

- A storage location should be assigned to each item of evidence and a record of this information should be recorded on the evidence receipt and/or chain of possession. The policy in 3-14.4 of the Multijurisdictional Task Force Operating Procedures and Guidelines Manual states that the evidence receipt shall be made part of the investigative file. For one of the cases tested, the Commander did not have the evidence receipt on file. Upon inquiry, the Commander stated that it is not the practice of the Task Force to obtain property receipts for evidence brought to one of the participating agencies outside of Mille Lacs County.

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 from November 1, 2012, to August 28, 2013. Buy funds are kept in a locked safe in the Task Force Commander's office. The buy funds are replenished by the Sheriff who will cash a check from the Task Force's fiscal agent. Buy funds are generally used for payments to confidential informants (CI) for information and/or services, drug purchases, and flash money. We selected 6 of the 35 items on the list to trace the documentation of activity from the point of request for buy funds to approval. Of the 6 items selected, 4 were payments to CIs for information, 1 was a payment to a CI for services, and 1 was for a purchase of drugs made by a CI. We noted the following:

- The policy in 3-12.4 of the Multijurisdictional Task Force Operating Procedures and Guidelines Manual states that each informant file should contain a signed informant agreement. Upon review of the CI file associated with one of the items tested, we noted that the CI did not sign an agreement until five days after a payment was made to the CI. We also noted that the date on the expense form had been changed to the date of the CI agreement signing; the case file reports showed that the transaction occurred five days prior.

* * * * *

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.

Subsequent to our site visit and prior to the release of our report, the North Central Drug Task Force was dissolved. We were unable to obtain written representations in connection with this engagement.

This report is intended solely for the information and use of the Minnesota Department of Public Safety and the former North Central Drug 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

October 14, 2013