



DONALD C SPENCER

CLERK OF CIRCUIT COURT AND COMPTROLLER --- SANTA ROSA COUNTY,
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MEMORANDUM

DATE: March 26, 2013

TO: Donald C. Spencer, Clerk of Courts and Comptroller

FROM: Wade Burroughs, Internal Auditor

CC: Navarre Beach Volunteer Fire Department
Hunter Walker, County Administrator
Michael Burton, Financial Services Administrator/Fiscal

SUBJECT: Navarre Beach Fire Department Review

The Navarre Beach Volunteer Fire Department was included in the Santa Rosa County Fire Protection Municipal Service Benefit Unit on October 24, 1991 in accordance with County Ordinance 91-27.

This review covers a twelve (12) month time frame beginning October 1, 2011 and ending September 30, 2012.

- The department utilized all funds received from the County pursuant to the budget approved by the County except as noted below.
- The department submitted to the County proof of all expenditures for the 11-12 fiscal year except as noted below. The bank account was reconciled monthly on a timely basis.
- Checks numbered 4835 - 4848 and 11003 - 11279 were issued during the 11 - 12 fiscal year and have been accounted for in this review. Proof of invoice was provided for all checks except as noted below.
- All County MSBU disbursements were deposited in the Navarre Beach Volunteer Fire Department money market account by Board Support Service. This review revealed the records are properly maintained and expenditures are supported by underlying documentation except as noted below.

This review is strictly to determine the financial compliance of the department with regards to the MSBU funds received from Santa Rosa County, payable to the department. It does not imply or intend to cover or comment upon any other covenants. Work papers are available for further review.

The following exceptions were noted during the review:

1. Check 1106 dated 10/14/11 to CDS Team One for \$13.50. Payment based on statement; no supporting invoices provided.
2. Check 4846 dated 10/6/11 to Consolidated Ace Navarre for \$95.51. Payment based on statement, no supporting invoices provided. Statement included \$1.81 in finance charges.
3. EFT dated 11/16/11 to IRA Contribution for \$547.28. The supporting documentation provided is for \$544.40. No explanation provided for the difference.
4. Check 11034 dated 11/15/11 to Standard Vision for \$74.80. No support provided.
5. Check 11046 dated 12/17/11 to Consolidated Ace Navarre for \$26.26. Payment based on statement, no supporting invoices provided.
6. Check 11047 dated 12/7/11 to PR Chemical for \$17.17. Payment based on statement, no supporting invoices provided.
7. Check 11082 dated 1/24/12 to Office Depot for \$124.12. Supporting invoice was for \$227.46 and included \$2.00 finance charge. No explanation for the difference provided.
8. Check 11083 dated 1/24/12 to Koorsen for \$97.98. Supporting invoice included \$5.98 sales tax.
9. Check 11103 dated 2/27/12 to Walmart \$5.84. Supporting invoice included \$0.36 sales tax.
10. Check 11113 dated 2/27/12 to Mike Howard for \$38.32. Supporting invoice included \$2.33 sales tax.
11. Check 11127 dated 3/21/12 to O'Reilly Auto Parts for \$6.69. Payment based on statement. No supporting invoices provided.
12. Check 11128 dated 3/21/12 to WalMart for \$8.49. Supporting invoice included \$0.52 sales tax.
13. Check 11152 dated 4/15/12 to Mike Howard for \$137.70. Supporting invoice included \$0.32 sales tax.
14. Check 11161 dated 5/11/12 to Consolidated Ace Hardware for \$24.66. Supporting invoice included \$1.00 finance charge.
15. Check 11202 dated 6/18/12 to Galls for \$36.80. Payment based on statement. No supporting invoices provided.
16. Check 11231 dated 7/24/12 to Mike Howard for \$57.83. Supporting invoice included \$0.43 sales tax.
17. Check 11224 dated 7/10/12 to Consolidated for \$18.53. Supporting invoice included \$7.05 finance charge.

Recommendations:

1. We noted in the review there were 6 instances where payments were made based on statements and no supporting invoices were provided. In these instances with no supporting invoices there is no way of knowing what was purchased or if it was a legitimate expenditure of public money. We recommend supporting invoices be obtained and agreed to statements when paying statements.
2. There was one instance where no supporting documentation at all was provided. With no supporting there is no way of determining what the expenditure was for or if it was a legitimate expenditure of public money. We recommend supporting invoices be obtained for all expenditures.

Follow-up on prior year recommendations:

1. In the prior year there were 2 instances of the Department paying sales tax totaling \$6.42 when it wasn't necessary. This year there were 6 instances totaling \$9.94.
2. In the prior year the Department made payment on services to DirecTV that had not yet been received. The Department paid for services as they became due in the current year.

3. In the prior year there were 4 instances of late payments resulting in \$1,522.13 late fees and interest charges. This year there were 4 instances totaling in \$11.86 late fees and interest charges.
4. In the prior year the Department did open a separate account for non-MSBU funds as recommended. However, the deposits made into this account were grant reimbursements from spending MSBU funds. These grant reimbursements would also be considered MSBU funds. We did not see any MSBU funds deposited in the non-MSBU account in the current year.
5. In the prior years the Department's response to our findings and recommendations was inadequate. As the Department has received all of its MSBU funding by the date of this and prior reviews, the County, therefore, will withhold \$1,856.50 for exceptions noted in the 2010 review, \$1,528.55 for the 2011 review and \$18.28 for the 2012 review from the Department's funding in 2014.