

Mary M. Johnson

Clerk Circuit Court & County Court

Santa Rosa County

MILTON, FLORIDA 32572-0472

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MEMORANDUM

DATE: November 13, 2012

TO: Mary Johnson, Clerk of Court

FROM: Wade Burroughs, Internal Auditor

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

SUBJECT: Pace Fire Department Review

The Pace Fire & Rescue District (the department) was included in the Santa Rosa County Fire Protection Municipal Service Benefit Unit on May 24, 1990 in accordance with County Ordinance 90-23.

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.

The department submitted to the County proof of all expenditures for the 11-12 fiscal year and the bank account was reconciled monthly on a timely basis.

Checks numbered 6386 – 6747 and 11982 – 13202 were issued during the 11-12 fiscal year and have been accounted for in this review. Proof of invoice was provided for all checks.

All County MSBU disbursements were deposited in the Pace Fire & Rescue District, Inc's checking 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.

There were no findings for the current year.

Prior Year Findings:

Prior year finding 1 – Our reading of the board minutes led us to conclude that payroll was being manipulated and earnings for one person was being paid to his wife in order to defraud the Social Security Administration. We recommended the department should comply with applicable federal and state laws regarding the payment of employees. Changes appear to have rectified the situation going forward.

Prior year finding 2 – Contrary to Florida Statutes, bonuses totaling \$22,272, plus matching payroll taxes, were paid to 8 employees. We recommended the department reimburse the County for those bonuses from non public funds. The County, subsequently, withheld \$23,975.84 from this year's payments to the department.