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MEMORANDUM

DATE: March 18, 2014

TO: Don Spencer, Clerk of Court

FROM: Wade Burroughs, Internal Auditor

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

SUBJECT: East Milton Fire Department Review

The East Milton Volunteer Fire Department (EMVFD) was included in the Santa Rosa County Fire Protection Municipal Service Benefit Unit on May 28, 1992 in accordance with County Ordinance 92-06.

This review covers a twelve (12) month time frame beginning October 1, 2012 and ending September 30, 2013.

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 12-13 fiscal year. The checking account is not being reconciled properly. See finding below.

Checks numbered 5165 – 5720 and 5308 – 5443 were issued during the 12-13 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 East Milton Volunteer Fire Department checking account by Board Support Service. This review revealed the records are properly maintained and expenditures are supported by underlying documentation.

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.

Current year findings and recommendations:

1. Finding - Given the number of omissions and other errors to the check register, Treasurer's report and a review of the bank reconciliations it does not appear that the reconciler understands the purpose of the reconciliation. The ending balance arrived at on the reconciliation does not agree with the ending balance on the Treasurer's report. This finding is essentially the same as the prior year's.

Recommendation – I believe the Quicken software that the Department uses has a bank reconciliation function where you enter the balance from the bank statement and then check all the items that cleared during the month. Then if the ending balance does not agree with the bank statement you know you have some items that were not entered and need to be corrected. I recommend the reconciler use this function. Also, I would be willing to help if necessary.

Follow-up on prior year findings and recommendations:

The prior year finding is essentially the same as the current year. The Treasurer has been replaced subsequent to this year's review.