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CLERK OF THE CIRCUIT COURT & COMPTROLLER
SANTA ROSA COUNTY, FLORIDA

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March 13, 2020

Donald C. Spencer
Clerk of the Circuit Court and Comptroller
6495 Caroline Street
Milton, Florida 32570

Re: Skyline Fire and Rescue District, Inc. Review

Please find enclosed the report on our review of Skyline Fire and Rescue District, Inc.'s use of MSBU funds for the period October 1, 2018 through September 30, 2019. The objective of the review was to evaluate expenditures by the fire department from the MSBU allocation. Expenditures were evaluated to determine whether they were an appropriate use of MSBU funds as delineated in the budget adopted by Santa Rosa County.

During our review, we worked with both the fire department administrator and treasurer of Skyline Fire and Rescue District, Inc. who were helpful to us during the review.

The report was generally good. Expenditures were properly supported and appropriate.

We observed potential internal control issues that have been addressed under a separate management letter.

Please contact me should you have any questions.

Respectfully,

Samuel S. Scallan, Internal Auditor
Santa Rosa County Clerk of Courts

CC: Skyline Fire and Rescue District, Inc.
Dan Schebler, County Administrator
Mark Murray, Assistant County Administrator
Brad Baker, Emergency Management Director
Tom Lloyd, EMS Operations Chief
Michael Burton, Finance Director
Deb Grinde Emergency Management

**SANTA ROSA COUNTY
CLERK OF THE CIRCUIT COURT AND
COMPTROLLER**

INTERNAL AUDIT DEPARTMENT

**REPORT ON
REVIEW OF SKYLINE FIRE AND RESCUE DISTRICT, INC.
USE OF MSBU FUNDS
FISCAL YEAR 2018-19**

REPORT NUMBER BCC 19-10

REPORT ISSUED MARCH 13, 2020

ISSUED BY: SAMUEL SCALLAN, DIRECTOR, INTERNAL AUDIT

Report on Review of Skyline Fire and Rescue District, Inc. Use of MSBU Funds Fiscal Year 2018-19

We have conducted a limited scope review of the Skyline Fire and Rescue District, Inc. Our work flows from language contained in Ordinance 95-26 amending Ordinance 90-23 providing for an audit of expenditures of MSBU funds to confirm proper expenditure of those funds. Our review was conducted in accordance with Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors.

Background

The Skyline Fire and Rescue District, Inc. (Skyline) is a professional fire department and is a Florida not-for-profit corporation incorporated under the rules of Florida. Its corporate status is current. The fire department employees both full and part-time staff. Volunteers receive a small stipend.

Skyline was included in the Santa Rosa County Fire Protection Municipal Service Benefit Unit (MSBU) on October 12, 1995 in accordance with County Ordinance 95-26. Each year, Skyline submits a budget request to the County. The final adopted budget is provided to them based on actual collections of MSBU funds collected by the Tax Collector and remitted to the Clerk of Courts. As such the payments vary in amount. Funds remitted to directly to Skyline for the 2018-19 fiscal year were \$777,615.00.

Objectives and Scope

The objective of our audit was to evaluate expenditures by Skyline from the MSBU allocation. Expenditures were evaluated to determine whether they were an appropriate use of MSBU funds as delineated in the budget adopted by Santa Rosa County. The period covers debits to the checking account and checks issued and dated between October 1, 2018 and September 30, 2019.

This was a limited scope audit, the purpose of which was to determining whether Skyline expended MSBU funds in accordance with the budget adopted by Santa Rosa County and to ensure that expenditures were an appropriate use of MSBU funds. Our work is not an audit of financial statements of the Skyline the purpose of which is to issue an opinion on those financial statements and accordingly we have not issued such an opinion.

Methodology

For the period under review we obtained relevant accounting records and supporting documentation from the treasurer for Skyline. The fire department uses manual, handwritten ledgers. We examined images of the cancelled check to confirm the payee. We examined supporting documentation for sufficiency and whether the expenditure was an appropriate use of MSBU Funds. In addition, we traced payments made by Santa Rosa County to bank statements provided by the fire department.

While not part of our review, and to the extent we encounter them, we examined internal controls in place for design and effectiveness. Observations and recommendations to strengthen those controls, where appropriate, were provided to County management and Skyline Fire and Rescue District, Inc. in a separate Management Letter.

Conclusions

Based on our work we have concluded that Skyline Fire and Rescue District, Inc. expended funds received from the County pursuant to the budget approved by the County. Expenditures examined were properly supported and appropriate.

All County MSBU distributions to the fire department were deposited in the Skyline bank account at Charter Bank.

Work papers are available for further review.

End of Report