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

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July 2, 2020

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

Re: East Milton Volunteer Fire Department

Clerk Spencer,

Please find enclosed the report on our review of the East Milton Volunteer Fire Department'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 my review, I worked with both the bookkeeper/treasurer and fire chief of the fire department who were helpful to me during my review.

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

I observed internal control issues dealing with governance of the fire department that have been addressed under a separate management letter.

Please contact me should you have any questions.

Respectfully,

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

CC: East Milton Volunteer Fire Department
Dan Schebler, County Administrator
Mark Murry, Assistant County Administrator
Brad Baker, Emergency Management Director
Deb Grinde Emergency Management
Tom Lloyd, EMS Operations Chief
Michael Burton, Finance Director

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

INTERNAL AUDIT DEPARTMENT

**REPORT ON REVIEW OF
EAST MILTON VOLUNTEER FIRE DEPARTMENT
USE OF MSBU FUNDS
FISCAL YEAR 2018-19**

**REPORT NUMBER BCC 19-12
REPORT ISSUED JULY 2, 2020
ISSUED BY: SAMUEL SCALLAN, DIRECTOR, INTERNAL AUDIT**

Report on Review of East Milton Volunteer Fire Department Use of MSBU Funds Fiscal Year 2018-19

We have conducted a limited scope review of the East Milton Volunteer Fire Department. Our work flows from language contained in Ordinance 92-06 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 East Milton Volunteer Fire Department is a Florida not-for-profit corporation incorporated under the rules of Florida. Its corporate status is current.

East Milton Volunteer Fire Department (VFD) was included in the Santa Rosa County Fire Protection Municipal Service Benefit Unit (MSBU) on May 28, 1992 in accordance with County Ordinance 92-06. Each year, the VFD submits a budget request to the County. The final adopted budget for the East Milton Volunteer Fire Department is advanced to them in twelve monthly payments. Funds budgeted to the VFD for the 2018-19 fiscal year were \$507,125.00.

Objectives and Scope

The objective of our audit was to evaluate expenditures by the VFD 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 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 determine whether the VFD 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 VFD 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 the VFD. We selected a random sample of expenditures for the period under review. For those examined, we observed 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 VFD.

While not part of our review, and to the extent we encounter them, we assessed internal controls in place for design and effectiveness. Observations and recommendations to strengthen those controls, where appropriate, were provided to County management and the VFD in a separate management letter.

Conclusions

Based on our work we have concluded that the East Milton Volunteer Fire Department expended all funds received from the County pursuant to the budget approved by the County. Expenditures examined were properly supported and appropriate. Bank reconciliations were timely prepared.

All County MSBU distributions to the VFD were deposited in the East Milton Volunteer Fire Department bank account at Charter Bank.

Work papers are available for review.

End of Report