



DONALD C. SPENCER
CLERK OF THE CIRCUIT COURT & COMPTROLLER
SANTA ROSA COUNTY, FLORIDA

Clerk of the Circuit Court & Comptroller
Recorder of Deeds
Clerk and Accountant of the Board of County Commissioners
Custodian of County Funds
County Auditor

6495 Caroline Street
Milton, Florida 32570
P O BOX 472
Milton, Florida 32572
Telephone: (850) 983-1975
Fax: (850) 983-1986
www.santarosaclerk.com

May 1, 2023

Donald C. Spencer
Clerk of the Circuit Court and Comptroller
4025 Avalon Blvd
Milton, Florida 32583

Re: Berrydale Volunteer Fire Department Review
FYE 2021 & 2022

Please find enclosed the report on our review of the Berrydale Volunteer Fire Department's use of MSBU funds for the period October 1, 2020 through September 30, 2022. The objective of the review 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.

We worked with the treasurer of the Berrydale VFD who was helpful to us during our review.

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

Observations regarding internal controls have been addressed with management of the VFD.

Please contact me should you have any questions.

Respectfully,

/s

Teresa Garber, Internal Auditor
Santa Rosa County Clerk of Courts

CC: Berrydale Volunteer Fire Department
Jason English, Chief Deputy, Clerk of Court
DeVann Cook, County Administrator
Brad Baker, Assistant County Administrator
Tom Lloyd, Emergency Management Director
Ginny Palmer, Administrative Supervisor, Emergency Management

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

INTERNAL AUDIT DEPARTMENT

**REPORT ON REVIEW OF BERRYDALE VOLUNTEER FIRE
DEPARTMENT USE OF MSBU FUNDS
FISCAL YEARS ENDING 2021 & 2022**

REPORT NUMBER BCC 22-07

REPORT ISSUED MAY 1, 2023

ISSUED BY: TERESA GARBER, INTERNAL AUDITOR

Report on Review of Berrydale Volunteer Fire Department Use of MSBU Funds Fiscal Years Ending 2021 and 2022

We have conducted a limited scope review of the Berrydale Volunteer Fire Department. Our work stems from language contained in Ordinance 2007-36 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 Berrydale Volunteer Fire Department, hereafter referred to as Berrydale or VFD, is a Florida not-for-profit corporation incorporated under the rules of Florida. Its corporate status is current.

Berrydale was included in the Santa Rosa County Fire Protection Municipal Service Benefit Unit (MSBU) on May 24, 1990 in accordance with County Ordinance 90-23, which was repealed and replaced by County Ordinance 2007-36. Each year, Berrydale submits a budget request to the County. The final adopted budget is advanced to the VFD in twelve monthly payments. Funds budgeted to Berrydale for the 2020-21 and 2021-22 fiscal years were \$117,530 and \$91,195, respectively.

Objectives and Scope

The objective of our audit was to evaluate expenditures by the VFD from the MSBU allocation to determine whether they were an appropriate use of MSBU funds as delineated in the budget adopted by Santa Rosa County. The review period covers debits and checks issued and dated between October 1, 2020 and September 30, 2022.

This was a limited scope audit. 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

We obtained relevant accounting records and supporting documentation from the treasurer for the VFD for the period under review. We selected a random sample of expenditures for examination. 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.

Findings

Firefighter Compensation

During our review of expenditures, we noted monthly stipend payments to firefighters. Stipends are monthly compensation paid to firefighters at a fixed rate for the position held. Firefighters earn a monthly stipend for responding to at least 30% of the monthly calls and may earn an additional fixed amount for manning shifts.

The treasurer prepares a monthly stipend report that documents the number of call responses, the response rate as a percentage of total calls, the number of shifts manned, and payment information for each firefighter. The monthly stipend reports did not always document the number of calls responded to nor the response rate for each firefighter who was paid a monthly stipend. The monthly stipend reports did not always substantiate that the minimum response rate was met, and payment was due.

In addition, we noted one incident where a first responder was paid over the fixed amount established for the position held.

We recommend that Berrydale establish and follow monthly written procedures to ensure the monthly stipend reports correctly document, at a minimum, the total calls for the month and each firefighter's name, position or title, number of call responses, response rate, and number of shifts manned prior to issuing payment. Furthermore, as the bylaws require all checks to be signed by the treasurer and president, we recommend that the completed monthly stipend report accompany the checks presented to the president for signature. The president should review the monthly report before endorsing the checks to ensure the report is complete and correct and the check is written for the amount documented on the report.

Uncashed Payments

As noted above, firefighters are paid a fixed monthly rate according to their position by responding to at least 30% of the total monthly calls. Stipend checks that remain uncashed for six months from the date of issuance are added back to the Berrydale VFD checking account balance. Payment may be reissued at the request of the payee.

In January of 2022, \$685 in earned stipends were added back to Berrydale VFD's checking account balance without evidence that the earnings were subsequently reissued nor turned over to the State of Florida, Division of Unclaimed Property as required by Chapter 717, Florida Statute for safekeeping until claimed by the payee or the payee's heirs.

We recommend that Berrydale ensure stipends earned and paid by check that remain uncashed are turned over to unclaimed property in accordance with Chapter 717, Florida Statute.

Santa Rosa County Clerk of Courts
Internal Audit Department
Report on Review of Berrydale VFD Use of MSBU Funds
May 1, 2023

Conclusions

Based on our work we have concluded that the Berrydale Volunteer Fire Department expended all funds received from the County pursuant to the budget approved by the County. While most of the expenditures examined were properly supported and appropriate, evidence that stipend payments were earned was not always maintained.

All County MSBU distributions to the VFD were deposited in the Berrydale Volunteer Fire Department bank account at United Bank.

Work papers are available for further review.

End of Report