

Type	#	Finding	Criteria	Condition	Cause	Effect	Recommendation	View of Responsible Official and Planned Corrective Action
FINDING	2015-001	Segregate Payroll Duties	The basic premise of segregation of duties is that no one person should have access to both physical assets and the related accounting records or to all phases of a transaction. During the audit, we noted a lack of segregation of duties within the payroll process.	One employee maintains the payroll master file, including making changes to it for pay rate changes; prepares the payroll; transmits the payroll; and records the transactions in the general ledger.	The Village's finance staff consists of just one person, the Finance Director.	This lack of segregation of duties in the payroll function increases the risk that an error or irregularity could occur and go undetected.	While the Village Manager reviews and approves a preprocessing payroll report, we recommend that the Village Manager also review a payroll post-processing report and compare it to the approved preprocessing report. In addition, the Village Manager should review a payroll change report each pay period, detailing any changes made to the payroll master file.	Effective November 15, 2015, the Village Manager reviews and approves a post-processing report and agrees it to the approved processing report. The Village Manager also reviews a payroll change report to verify that any changes completed are as authorized. On January 27, 2016, a Finance Clerk began work in the Finance Department. This additional staff will allow for segregation of duties in the payroll process.
FINDING	2015-002	Approve Journal Entries	The proper initiation, authorization, recording, and processing of standard and nonstandard journal entries helps guard against the use of journal entries to obscure fraudulent financial reporting.	One employee prepares and records journal entries, without a review or approval of the entry or supporting documentation.	The Village's finance staff consists of just one person, the Finance Director.	This lack of journal entry review and approval increases the risk that an error or irregularity could occur and go undetected.	We recommend the adopting of a policy whereby a report detailing all journal entries will be reviewed by the Village Manager or other designated member of management each month. The report should be initialed and dated by the preparer and initialed and dated by the management reviewer.	On January 27, 2016, a Finance Clerk began work in the Finance Department. With two financial staff members, Finance Clerk and Finance Director, one staff member will prepare the journal entry and the other staff member will review the journal entry with supporting documentation. From November 2, 2015 through January 27, 2016, the Village Manager reviewed and approved all journal entries.
Mgmt Letter	ML#2015-001	Formal Written Policies	Written policies and procedures should be maintained and updated regularly to establish standard practices, establish procedures to address identifies risks in order to prevent or detect and correct errors or fraud, and establish responsibilities for preparation, review and approval of information.	Our review of internal controls revealed financial policies and procedures for recording transactions were not in formal approved written form.	The Village was created on December 31, 2014 and written policies and procedures have not yet been developed.	Without formal written policies and procedures in place, the Village is vulnerable to errors or fraud that might go undetected.	We recommend formal written policies and procedures be adopted which establish standard practices, establish procedures to address identifies risks in order to prevent pr detect and correct errors or fraud, and establish responsibilities for preparation, review and approval of information. Such policies should include string segregation of duties when possible. The policies and procedures should require physical documentation, such as signature/initials and dates, related to preparation, review and approval of information in order to hold those responsible individuals accountable. The policies and procedures should required at least annual updating of the written document in order to address new risks or new procedures required.	Village staff is currently developing formal written policies and procedures for recording transactions an expect those to be completed within the next few months.
FINDING	2017-001	Surcharge Fees	Village management is responsible for establishing and maintaining internal controls over the proper recording of all of the Village's transaction and reconciliation and review of the Village's account balances.	In accordance with State law, the Village is required to calculate and collect certain building surcharge fees on building permits to be remitted to the Florida Department of Business and Professional Regulation and Florida Department of Community Affairs. The Village retains 10% of the surcharge fees and records that amount as revenue in the financial statements. During testing of the permit revenues and associated fees, we noted one instance in which the Florida Department of Business and Professional Regulation and Florida Department of Community Affairs building surcharge fees were assessed on an incorrect total, including certain permit fees not subject to the surcharge fee.	The community development software requires manual calculation of the building surcharge fee base which provides an increased opportunity for error in assessing surcharge fees. The Village does not have internal controls in place to review that the correct surcharge fee base is entered into the system and that the resulting surcharge fee paid by the applicant is calculated correctly.	The Village's revenue is overstated by \$2,428.	We recommend that the Village implement policies and procedures to improve the calculation and monthly reconciliation of the surcharge fees to ensure that the proper amounts are being charged and remitted to the State of Florida.	The Village has requested that the community development software be updated to automate the calculation of the building surcharge fee. The software update is in process and it will be implemented when testing is completed. In addition, the Village has implemented a monthly review of building surcharge fees.
Mgmt Letter	2019-01	Contracted Service Provider Reporting Must be Improved		We noted several programming and administrative issues with the proprietary software developed and maintained by the community development department's contract service provider.		1) Community development staff members were permitted to remove fees an issue permits prior to payment of fees in the software without documentations of approval. 2) Certain administrative fees were set up to calculate incorrectly in the software. 3) A software update allowed multiple credit card payments for the same permit on the public portal; however, fee payments were not recorded in the proprietary community development software. 4) No printable log o historical system errors and/or overrides was stored or available.		
Mgmt Letter	2020-01	Submit Public Depositor Annual Report by November 30		During the year ended September 30, 2021, we noted the Public Depositor Annual Report for fiscal year 2021 was not submitted timely to the Chief Financial Officer. Florida Statute 280.16(1)(d) requires a report of all public deposits must be submitted to the Chief Financial Officer annually by November 30. Therefore, the report for fiscal year 2021 was due by November 30, 2021. The actual report was not submitted until May 31,2022.				The Village's Interim Finance Director has prepared a list of Financial Reports and Submissions Requirements which includes the Report name, method of submission and due dates. The Village Manager and Village Clerk were provided this schedule. Therefore, if the Finance Director position is vacant or is not aware of certain reporting requirements, the Manager and Clerk will be aware of the deadlines for reporting.

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Mgmt Letter	2021-02	Expenditures in excess of the final approved budget		During the audit, we noted that the Village had expenditures in excess of its final approved budget in two funds; the building fund and the driving range fund. Florida Statute Chapter 166.241 (2) prohibits such excess expenditures.	The Village hired a new Finance Director on October 17, 2022. The new director prepared the year-end budget amendment due within sixty days of the fiscal year-end close on September 30, 2022. The building fund had excess expenditures totaling \$946. This was due to a correcting entry of expenditures performed after the budget amendment was prepared. The driving range fund had excess expenditures totaling \$21,039. The driving range fund was established during the fiscal year. With no historical data, budget amounts were estimated for the driving range.	The Village had expenditures in excess of its final approved budget in two funds; the building fund and the driving range fund. Florida Statute Chapter 166.241 (2) prohibits such excess expenditures.	We recommend the Village budget its audited carryforward in each fund which will provide a contingency and help to eliminate the potential of an over expenditure. Alternately, expenditures in excess of budget should be monitored and avoided.	At the completion of each annual fiscal year financial audit, the Village will adopt a mid-year budget amendment which will include the audited carryforward in each fund.