

# STATE OF FLORIDA AUDITOR GENERAL

## Operational Audit

Report No. 2026-012  
August 2025

### TOWN OF GREENVILLE



Sherrill F. Norman, CPA  
Auditor General

## Council Members and Charter Officers

During the period October 2022 through February 2024, the following individuals served as Town Mayor, Council Members, and Charter Officers:

Mayor: Barbara Dansey, from November 9, 2023<sup>a</sup>  
Brittini Brown, through November 8, 2023,  
Council Member from November 9, 2023

Council Members: Robin Housh, Vice Mayor from November 9, 2023  
Kathleen Hamilton, Vice Mayor through November 8, 2023  
Carl Livingston, Council Member through August 14, 2023<sup>b</sup>  
Calvin Malone, Council Member through November 8, 2023  
Ryan Kornegay, Council Member from November 9, 2023  
Chiquila Pleas, Council Member from November 9, 2023

Charter Officers:<sup>c</sup> Lee N. Jones Jr, Town Manager from October 1, 2021,  
through November 20, 2023<sup>d</sup>  
John Laurance Reid, Town Attorney

<sup>a</sup> Also served as Council Member through November 16, 2022. The Council Member seat was vacant from November 17, 2022, through November 8, 2023.

<sup>b</sup> Council Member resigned on August 14, 2023, and the seat was vacant from August 15, 2023, through November 8, 2023.

<sup>c</sup> Charter Officer positions include the Town Manager, Town Clerk, and Town Attorney. The Town Clerk position remained vacant since May 2020.

<sup>d</sup> The Town Manager position was vacant for the period November 21, 2023, through August 2, 2024. Edward W. Dean served as Interim Town Manager during that period.

The Auditor General conducts audit of government entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Sehrish Ladhani, CPA, and the audit was supervised by Gina Bailey, CPA.

Please address inquiries regarding this report to Derek H. Noonan, Audit Manager, by e-mail at [dereknnoonan@aud.state.fl.us](mailto:dereknnoonan@aud.state.fl.us) or by telephone at (850) 412-2895.

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# TOWN OF GREENVILLE

## **SUMMARY**

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This operational audit of the Town of Greenville (Town) focused on selected Town processes and administrative activities. Our operational audit disclosed a pervasive lack of controls necessary to promote and encourage compliance with applicable State laws, Town ordinances and policies, contracts, grant agreements, and other applicable guidelines; economic and efficient operations; reliability of records and reports; and the safeguarding of assets. Our audit also disclosed numerous instances of potential fraud, waste, and abuse. Specifically, our operational audit disclosed that:

### **Governance, Ethics, and Oversight of Town Operations**

**Finding 1:** Town personnel did not submit qualifying candidate paperwork to the Madison County Supervisor of Elections, resulting in a 1-year vacancy on the Town Council.

**Finding 2:** The Town had not established policies and procedures to identify, document, and resolve potential conflicts of interest. As a result, the Town Council proceeded with actions despite the presence of an apparent conflict of interest.

**Finding 3:** The Town had not established policies and procedures to ensure the timely filing of the financial disclosure forms required by State law.

**Finding 4:** Contrary to State law, the Town conducted business with organizations affiliated with Town Council Members and Town employees. In addition, Town records did not always evidence the public purpose served by expenditures for good and services purchased from related organizations.

**Finding 5:** To ensure compliance with State law, improve transparency and accountability, and promote public participation, the Town needed to enhance controls over Town Council meeting scheduling, notification, agendas, and minutes.

**Finding 6:** Town Council meeting records did not always document the presence of a quorum or evidence that voting procedures were followed.

**Finding 7:** Contrary to the Town Charter, Town Council Members were regularly involved in the day-to-day operations of the Town.

**Finding 8:** Town policies and procedures were insufficient to ensure that Town Council Members received the ethics training required by State law.

### **Budgetary Process and Financial Condition**

**Finding 9:** Town controls over the budgetary process needed improvement to ensure that budget hearings are advertised and held in accordance with State law and Town Charter requirements, final budgets and ad valorem millage rates are properly adopted, budgets are properly recorded in Town accounting records, budget monitoring is effective, and the tentative and final budgets are posted on the Town Web site as required by State law.

**Finding 10:** According to the financial audit report for the 2021-22 and 2022-23 fiscal years, the Town had experienced deteriorating financial conditions. Due to inaccurate and incomplete financial records, the Town's financial condition as of June 2024 could not be determined.

**Finding 11:** Contrary to Government Finance Officers Association best practices, the Town had not, as of July 2024, established General Fund unrestricted fund balance requirements and Enterprise Fund working capital target amounts. The maintenance of appropriate General Fund unrestricted fund balances and established Enterprise Fund working capital target amounts may help prevent future deteriorating financial conditions.

### **Financial Reporting, Accounting Records, and Internal Controls**

**Finding 12:** The Town did not timely provide for and submit required annual audited financial statements and annual financial reports (AFRs) to the Florida Auditor General and Florida Department of Financial Services (FDFS), respectively, for the 2020-21, 2021-22, and 2022-23 fiscal years.

**Finding 13:** Town accounting records contained numerous significant errors.

**Finding 14:** Bank account reconciliations were not promptly performed, contained errors that were not promptly investigated and resolved, and lacked evidence of review.

**Finding 15:** Town personnel responsible for utility billing and cash collections performed incompatible duties without adequate compensating controls.

### **Utility Billing and Grant Compliance**

**Finding 16:** Utility billing rates were not in accordance with Town ordinances, and Town records did not document how the utility rates being billed were established.

**Finding 17:** Town records did not always demonstrate that utility fees were correctly assessed to customers. In addition, utility fees were not consistently assessed or were assessed and then subsequently reversed without adequate justification.

**Finding 18:** The Town did not comply with significant grant provisions associated with grants received to construct a grocery store, resulting in significant construction delays.

### **Personnel Administration**

**Finding 19:** The Town had not established position descriptions for some employees.

**Finding 20:** The Town had not established policies and procedures for determining whether workers should be classified as employees or independent contractors in accordance with Internal Revenue Service (IRS) requirements.

**Finding 21:** The Town's processes for hiring, compensating, and terminating the Town Manager did not comply with State law, Town policies and procedures, and good business practices.

### **Procurement and Expenditures**

**Finding 22:** The Town did not always timely pay vendors and had not established policies and procedures to promote compliance with the Local Government Prompt Payment Act.

**Finding 23:** Town controls over the procurement of goods and services needed enhancement to ensure applicable purchases are competitively procured, contracts and purchase orders are consistently used, and satisfactory receipt of goods and services is documented before payment is made.

**Finding 24:** The Town should enhance its procurement card (P-card) controls to ensure and document that P-card purchases comply with Town policies and serve a valid public purpose.

**Finding 25:** Town controls over travel expenditures needed enhancement to ensure proper documentation and compliance with State law.

### **Administrative Controls, Asset Management, and Public Accountability and Accessibility**

**Finding 26:** The Town had not established policies or procedures to address the personal use of Town motor vehicles and require motor vehicle usage logs. In addition, the Town did not include the value of personal use of Town motor vehicles as compensation in the employee gross income reported to the IRS.

**Finding 27:** Town policies and procedures for establishing and maintaining appropriate controls over capital assets, including tangible personal property, were inadequate.

**Finding 28:** Town public records request policies and procedures were inadequate to ensure the timely fulfillment of public records requests.

**Finding 29:** The Town Hall was not always accessible to members of the public during Town business hours.

### **Information Technology (IT) Security Controls and Anti-Fraud Policy**

**Finding 30:** Town controls related to IT application security management needed improvement to ensure that user access privileges are necessary and appropriate, and that employee IT access is promptly removed after separation from employment.

**Finding 31:** The Town's anti-fraud policy could be enhanced to provide for communicating, investigating, and reporting known or suspected fraud.

## ***BACKGROUND***

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The Town of Greenville (Town) was incorporated in 1907. The Town is located in Madison County and has an estimated population of 754.<sup>1</sup> The Town operates under a Council-Manager form of government and is governed by five elected Town Council Members, each of whom is generally elected; however, a member may be appointed by the majority vote of the Council Members to fill a vacant seat in the event of vacancy caused by either death, resignation, or removal. Each year, the Town Council appoints a Council Member to be the Mayor and another Council Member to be the Vice Mayor. The Town Council is responsible for appointing the Town Manager and enacting ordinances, resolutions, and policies governing the Town. The Town Manager is responsible for the day-to-day management of the Town. The Town Council is also responsible for appointing the Town Clerk, who serves a vital role in ensuring

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<sup>1</sup> University of Florida, College of Liberal Arts and Sciences, Bureau of Economic and Business Research, *Florida Estimates of Population by County and City 2024*.

the transparency, accountability, and proper administration of the Town of Greenville’s governmental operations. For legal services, the Town contracted with the Town Attorney.

The Town provides citizens with general government; public works; and water, sewer, and solid waste disposal services. The Town’s Public Works Department has five employees: a Public Works Director, Assistant Public Works Director, and three Public Works Crew members. The Madison County Sheriff’s Office provides law enforcement services for the Town.

## ***FINDINGS AND RECOMMENDATIONS***

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Our operational audit of the Town of Greenville (Town) disclosed a pervasive lack of controls necessary to promote and encourage compliance with applicable State laws, Town ordinances, Town policies, contracts, grant agreements, and other guidelines; economic and efficient Town operations; reliability of records and reports; and the safeguarding of assets. Our audit also disclosed numerous instances of potential fraud, waste, and abuse.<sup>2</sup>

### **GOVERNANCE, ETHICS, AND OVERSIGHT OF TOWN OPERATIONS**

#### **Finding 1: Town Council Elections**

The Town Charter<sup>3</sup> states that the Town Clerk is the Supervisor of Elections (SOE) for the Town. The Charter also provides that Town Council Members are elected for 2-year terms beginning in November of the election year. The Town Council is responsible for establishing election qualifications, procedures, and time periods for qualification for elections, filing fees, and other matters related to placing the names of candidates on the ballot, the manner and timing of general and special elections, and polling places. Town ordinances<sup>4</sup> state that the Town Council may instruct the Town Clerk to conduct elections or may authorize the Town Clerk to contract with the Madison County SOE to conduct such elections.

At its May 2020 meeting, the Town Council terminated the Town Clerk’s employment and replaced her with an Interim Town Clerk, who was subsequently appointed Town Manager<sup>5</sup> in October 2021. The Town Clerk position was vacant from October 2021 until February 2025.<sup>6</sup> During the 41-month period that the Town Clerk position was vacant, the qualifying period for the 2022 election for the Town Council’s Group 3 and Group 4 seats occurred.

The qualifying period for the November 2022 elections began at noon on Monday, June 13, 2022, and concluded at 12:00 p.m. on Friday, June 17, 2022. Three candidates submitted the necessary paperwork

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<sup>2</sup> Section 11.45(1), Florida Statutes, defines fraud, waste, and abuse. Fraud includes theft of an entity’s assets, bribery, or the use of one’s position for personal enrichment through the deliberate misuse or misapplication of an organization’s resources. Waste includes the act of using or expending resources unreasonably, carelessly, extravagantly, or for no useful purpose. Abuse includes behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary operational practice given the facts and circumstances, and the misuse of authority or position for personal gain.

<sup>3</sup> Sections 4(b)(3), 5(b), and 6(a), Town of Greenville Charter.

<sup>4</sup> Town of Greenville Ordinance 2020-257, Section 2-89, *Supervising Agency and Use of County Supervisor of Elections*.

<sup>5</sup> The Town Manager was hired as a consultant in May 2020, appointed as Town Manager in October 2021, and separated from Town employment in November 2023.

<sup>6</sup> The Town Clerk appointed in February 2025 had been the Director of Finance and Administration since May 2024 and was previously engaged as a consultant in February 2024 to finalize incomplete bank reconciliations.

to the Town's Office Manager, two candidates for the Group 3 Council seat and one candidate for the Group 4 Council seat. The Group 4 candidate was the incumbent and, facing no opposition, was automatically reelected.<sup>7</sup> However, when the Madison County SOE published the sample ballot, Town personnel noticed the omission of the two Group 3 candidates. The Town Attorney contacted the Madison County SOE and was informed that the qualifying paperwork for the Group 3 candidates was not submitted to the Madison County SOE and the Madison County SOE made two attempts to contact the Town's Office Manager to confirm whether any candidates qualified for the November 2022 election ballot; however, the Office Manager did not return the calls. As the general election ballot did not include Town of Greenville Council election candidates, the Group 3 Council seat was left vacant, leaving the Town with only four elected Town Council members.

Following the November 2022 general election, the Town Attorney drafted a legal memorandum, which included all the aforementioned facts that resulted in the vacancy in the Town Council and how the Town should further proceed to rectify the issue. The legal memorandum stated that State law<sup>8</sup> provides that each municipality shall, by ordinance or charter provision, provide procedures for filling a vacancy in office caused by death, resignation, or removal from office. The Town Charter<sup>9</sup> provides for the Town Council to fill a vacancy by a majority vote of its Council Members when an elected member vacates the seat by death, resignation, or removal from office. The legal memorandum concluded that the Town Council Group 3 seat vacancy was caused by an administrative error which did not meet any of the scenarios mentioned in the State law and Town Charter. Therefore, the Group Council 3 seat vacancy must be filled by special election.

At the Town Council's November 17, 2022, meeting, the vacancy was discussed; however, after extensive discussions and multiple failed motions, the Town Council did not schedule a special election. As a result, the Group 3 Council seat remained vacant until the November 2023 election.

In response to our inquiries, Town personnel stated that, since the Town Clerk's position was vacant, it was assumed that the Town Manager would perform the Town Clerk's duties. However, according to Town personnel, the Town Manager delegated to the Office Manager responsibility for overseeing the qualifying period for candidates. Town personnel indicated that they did not know why the Office Manager, who separated from employment in September 2022, did not file the candidates' qualifying paperwork.

A Town Council seat vacancy can result in decision-making delays due to lack of a quorum or tie votes, lack of constituent representation, and a decline in public trust. On October 9, 2023, the Town Council adopted an ordinance<sup>10</sup> that, in the event of a vacancy in the Town Clerk position, assigned the duties of the Town Clerk to the Town Manager or his or her designee.

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<sup>7</sup> Section 101.151(7), Florida Statutes, provides that the names of unopposed candidates shall not appear on the ballot.

<sup>8</sup> Section 116.031(6), Florida Statutes.

<sup>9</sup> Section 6(c), Town of Greenville Charter.

<sup>10</sup> Section 2-45(c)(1) – Town Clerk, Ordinance No. 2023-274, adopted October 9, 2023.

**Recommendation:** To ensure that qualified candidates are included on election ballots, the Town should take appropriate actions to confirm that candidate qualifying paperwork is timely filed with the County SOE. Such actions may include verification of the filing by the Town Manager or Town Attorney.

## Finding 2: Conflicts of Interest

State law<sup>11</sup> provides that no public officer or employee is to have or hold any employment or contractual relationship with any business entity or any agency that is subject to the regulation of, or is doing business with, the agency of which he or she is an officer or employee and prohibits public officials from voting on matters that could result in the special private gain of a relative.<sup>12</sup> In addition, the Town Charter<sup>13</sup> and the Town's Rules of Procedure<sup>14</sup> provide that any Town Council Member must abstain from a vote where the Council Member has or appears to have a possible conflict of interest, and Town policies<sup>15</sup> prohibit elected officials from employing relatives. However, as of August 2024, the Town had not established procedures delineating how Town personnel are to determine whether a conflict of interest exists and how to document such determination.

At the November 17, 2022, Town Council meeting, the Town Attorney presented a legal memorandum informing the Town Council that, under State law and Town Charter, the Town Council Group 3 seat vacancy had to be filled by a special election and could not be filled by Town Council appointment. Notwithstanding, the meeting minutes disclosed that the Town Mayor made a motion to appoint her sister to fill the vacant<sup>16</sup> seat. According to Town personnel, a Town Council Member objected to the motion, citing a conflict of interest, but the former Mayor disagreed and proceeded with the motion, which failed. Our review of the meeting minutes did not disclose any discussion about the conflict of interest.

During the August 2023 Town Council meeting, a similar instance occurred. A Town Council Member made a motion to add the candidates who had previously filed to run for that seat, including the Town Mayor's sister, to the November 2023 election ballot. The motion passed with 3 votes in favor and 1 vote against. In both instances, the Town Mayor should have abstained from voting because the subject involved a related party, and the matter could have resulted in the special private gain of a relative.

In addition, our examination of Town records disclosed that the Town Mayor's sister was hired as a vendor in April 2022 to provide services as a Youth and Senior Center Program Coordinator. She was paid \$300 monthly during the period April 2022 through November 2022 and \$350 monthly during the

<sup>11</sup> Section 112.313(7)(a), Florida Statutes.

<sup>12</sup> Section 112.3143(3)(a), Florida Statutes State law provides that no county, municipal, or other local public officer shall vote in an official capacity upon any measure which would inure to his or her special private gain or loss; or which he or she knows would inure to the special private gain or loss of a relative or of the public officer. Such public officer shall, prior to the vote being taken, publicly state to the assembly the nature of the officer's interest in the matter from which he or she is abstaining from voting and, within 15 days after the vote occurs, disclose the nature of his or her interest as a public record in a memorandum filed with the person responsible for recording the minutes of the meeting, who shall incorporate the memorandum in the minutes.

<sup>13</sup> Section 6(b)(3), Town of Greenville Charter.

<sup>14</sup> Rule 2.01 (Code of Conduct) and 2.02 (Conflicts of Interest), Rules of Procedure, acts as a policy of the Town Council of the Town of Greenville and states that the procedures in that document shall govern all official meetings of the Town Council and that the members of the Town Council, Town personnel, and the public shall adhere to these rules.

<sup>15</sup> *Town of Greenville Personnel Policy Manual*.

<sup>16</sup> As noted in Finding 1, prior to the Town's 2022 general election, Town personnel failed to submit the names of two candidates to the Madison County Supervisor of Elections, resulting in the candidates being left off the ballot. One of the two candidates was the Mayor's sister.

period December 2022 through January 2024 for total compensation of \$7,300. Town records did not document who authorized the hiring as the Town did not enter into a written agreement for the services and our review of Town Council meeting minutes did not disclose any Town Council vote to hire the Mayor's sister. Further, Town personnel indicated that they did not know who provided the authorization.

Absent policies and procedures to identify, document, and resolve conflicts of interest among Town Council Members, and employees, there is an increased risk that conflicts of interest occur, undermining the Town's fiscal accountability and transparency. Subsequent to our audit inquiries, in September 2024, the Town adopted a policy<sup>17</sup> that includes a detailed process to resolve an actual or potential conflict of interest, including a requirement that records be maintained to document any actual or potential conflict of interest and the resolution thereof. The policy also requires Town Council Members, Charter Officers, employees, and independent contractors to annually acknowledge in writing that they have read, understand, and agree to comply with the policy.

**Recommendation: The Town should comply with State law, the Town Charter, and established policies to prevent and address actual and potential conflicts of interest by identifying, documenting, and resolving any such conflicts.**

### **Finding 3: Financial Disclosure Forms**

The Legislature has declared that it is essential to the proper conduct and operation of government that public officials be independent and impartial and that no officer or employee of a State governmental entity have any interest, financial or otherwise, direct or indirect; engage in any business transaction or professional activity; or incur any obligation of any nature which is in substantial conflict with the proper discharge of their duties in the public interest.<sup>18</sup> State law<sup>19</sup> requires certain public officials and specified employees to file with the Florida Commission on Ethics (COE) an annual financial disclosure (Form 1)<sup>20</sup> as of July 1 each year and within 30 days of appointment or employment and a Final Statement of Financial Interest (Form 1F)<sup>21</sup> within 60 days of leaving office or employment.

Our review of Town records and discussions with Town personnel disclosed that public officials and specified employees did not file, or did not timely file, required financial disclosure forms, as follows:

- The three Town Council Members appointed on November 9, 2023, and the Interim Town Manager appointed on November 21, 2023, did not file Form 1 within 30 days of their appointment or employment, or as of July 2024. In addition, as of September 12, 2024, the Interim Town Manager had not filed the required Form 1 for 2023. Town personnel were unable to determine why the Form 1s were not filed as required.
- 2022 and 2023 Form 1s due by July 1, 2023, and July 1, 2024, respectively, were filed late as follows:

<sup>17</sup> *Town of Greenville Conflict of Interest Policy*, Resolution 2024-16, adopted September 9, 2024.

<sup>18</sup> Section 112.311, Florida Statutes.

<sup>19</sup> Section 112.3145(1) and (2), Florida Statutes.

<sup>20</sup> Form 1 – Statement of Financial Interests must be filed by local officers as defined in Section 112.3145(1), Florida Statutes, within 30 days of appointment or employment and then annually by July 1 of each year. COE Rule 34-8.202, Florida Administrative Code, provides that an individual who is a public official or specified employee on December 31 of a calendar year must file the financial disclosure form by July 1 of the following calendar year.

<sup>21</sup> Form 1F – Final Statement of Financial Interests must be filed by local officers as defined in Section 112.3145(1), Florida Statutes, within 60 days after leaving employment, unless taking another position that requires financial disclosure.

- Two Town Council Members and the Town Attorney filed their 2022 Form 1s 25, 52, and 30 days after the July 1, 2023, due date. Town personnel could not ascertain whether the two Council Members filed extensions for their 2022 Form; however, the Town Attorney confirmed that he did not file an extension for his 2022 Form 1 due to “excusable neglect.”
- Despite filing reminders sent by the COE and Deputy Town Manager, two of the Council Members appointed on November 9, 2023, filed their 2023 Form 1s 44 and 46 days after the July 1, 2024, deadline. According to Town personnel, the delays were due to misunderstandings or online account issues.
- As of July 2024, four Town Council Members and the Town Manager had not filed Form 1F, which was required to be filed within 60 days of their end of term of office or separation from employment.<sup>22</sup> In response to our inquiry, Town personnel stated that they could not determine why these individuals failed to file Form 1F and could not locate any reminder e-mails sent by Town personnel.

Timely filed financial disclosure forms are essential to provide a public record that discloses the financial interests, activities, and associations of local officers, as well as potential conflicts of interest. In September and October 2024, the Town revised its procurement policy<sup>23</sup> to require all Town personnel involved in procurement activities to avoid any conflict of interest and adopted two new policies: a conflict of interest policy<sup>24</sup> and an administrative operations policy,<sup>25</sup> both of which require the timely submittal of financial disclosure forms; the Town to notify applicable local officers of the form filing requirements; and the maintenance of filed forms in Town records.

**Recommendation: The Town should continue efforts to ensure that public officials and specified employees timely file financial disclosure forms annually, upon appointment or employment, and upon separation of appointment or employment, in accordance with State law. Such efforts should include monitoring to verify that the conflicts of interest policy and administrative operations policy have been properly implemented and are consistently followed.**

#### **Finding 4: Related Organizations**

State law<sup>26</sup> provides that no employee of an agency acting in his or her official capacity as a purchasing agent, or public officer acting in his or her official capacity, shall directly or indirectly purchase goods or services for his or her own agency from any business entity of which the officer or the employee is an officer. Additionally, the Florida Attorney General has opined on numerous occasions<sup>27</sup> that

<sup>22</sup> One Town Council Member’s term ended on November 16, 2022, another’s ended August 14, 2023, and the other two Members’ terms ended on November 8, 2023. The Town Manager separated from Town employment on November 20, 2023.

<sup>23</sup> *Town of Greenville Procurement Policy*, Resolution 2024-12, adopted September 9, 2024.

<sup>24</sup> *Town of Greenville Conflict of Interest Policy*, Resolution 2024-16, adopted September 9, 2024. The policy requires any Council member, charter officer, or employee aware of an actual or potential conflict of interest to immediately disclose it in writing to the Town Manager or Town Attorney. Additionally, Council members, charter officers, and employees are required to annually certify in writing that they have read, understood, and will comply with the policy. These certifications will be maintained in the Town’s official records.

<sup>25</sup> *Town of Greenville Administrative Operations Policy*, Resolution 2024-19, adopted October 28, 2024, and amended in March 2025. The policy requires Town officials and employees to comply with Section 112.3145, Florida Statutes, financial disclosure filing dates and states that, 1 month before the deadline, the Town Clerk will remind officials and employees to file the disclosure forms, including how and when to submit the forms. In addition, Town officials and employees must give a copy of their disclosure forms to the Town Clerk to be filed in the Town records.

<sup>26</sup> Section 112.313(3), Florida Statutes.

<sup>27</sup> For example, Florida Attorney General Opinion Nos. 68-12, 75-07, 79-14, and 94-89.

documentation of an expenditure in sufficient detail to establish the authorized public purpose served, and how that particular expenditure serves to further the identified public purpose, should be present when the voucher is presented for payment of funds. The Attorney General has also opined that, unless such documentation is present, the request for payment should be denied.

According to the Town's accounting records, on December 8, 2021, the Town paid \$450 to a Florida not-for-profit corporation (charitable organization) for a "Charitable Donation for Greenville Christmas Event." Although we requested, Town personnel could not provide supporting documentation for the payment or explain the public purpose of the expense made from the Town's General Fund. In addition, our review of Town Council meeting minutes did not disclose any Town Council discussion or approval of the payment. In August 2024, we reviewed the Department of State, Division of Corporations' Web page and found that a former Mayor and Town Council Member<sup>28</sup> was registered as an officer and President of the charitable organization. In addition, our review of the charitable organization's 2021 and 2022 annual reports disclosed that she and her sister were also officers of this charitable organization.

Our review of minutes for the June 13, 2022, Town Council meeting disclosed that the Town Manager discussed a proposal from the same charitable organization for an Independence Day celebration in partnership with the Town, requiring the Town Council's consideration. In response, the Council Member, who was also registered as an officer and President of the organization, proposed a motion to approve the charitable organization's participation in the event. While the Council Members, including the Town Mayor, unanimously voted to approve the celebration, our examination of Town's accounting records for the period June 2022 to September 2022 did not disclose any payments to the charitable organization related to the event. Notwithstanding, we inquired in November 2024 about the apparent conflict of interest, and Town personnel indicated that they did not know why the conflict was not recognized or why the Council Member and Mayor did not abstain from voting.

Our review of the Town Council meeting minutes disclosed that, during the November 5, 2020, meeting, the Mayor used the term "Greenville 2.0" when discussing the Town Council's vision to "modernize the community." In June 2024, we were provided records for an inactive Florida limited liability company (LLC) named "Greenville 2.0." According to Division of Corporations records, the LLC was formed on August 27, 2021, and was administratively dissolved on September 23, 2022, for failure to file an annual report. The Town Manager at the time was listed as the LLC's registered agent, and the Town was listed as a member. Our review of the Town Council meeting minutes from April 2021 through February 2024 did not disclose any authorization regarding the formation of the LLC and, although we requested, Town personnel did not provide any additional information about the LLC stating that they were not employed by the Town during the formation of the LLC.

Our review of Town accounting records disclosed that the Town Manager used his Town purchasing card (P-card) to pay \$125 for "membership dues," on August 26, 2021, and the September 2021 bank statement indicated that a \$125 payment was made to the Florida Department of State on that date, 1 day before the LLC was formed on August 27, 2021. Although Town records did not provide further

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<sup>28</sup> The 2021 and 2022 Not for Profit Annual Reports, filed in April 2021 and April 2022, respectively, both indicate that the individual who served as Mayor from November 5, 2020, through November 8, 2023, and Town Council Member from November 9, 2023, through November 6, 2024, and her sister, were both corporate officers at the time the reports were filed.

details about the nature of the \$125 P-card charge, insofar as the Division of Corporations Web charges a \$125 fee to register a new LLC, the charge was likely the LLC's registration fee.

In response to our inquiries in August 2024, although the Town personnel could not confirm that the expense was for the Greenville 2.0, LLC registration fee, they indicated that the Town would not have any reason to file documents with the Division of Corporations. In July 2024, we contacted the Town's bank and inquired as to whether the Town had opened an account named "Greenville 2.0 LLC," and the bank confirmed that no such accounts existed.

Our further examination of Town accounting records revealed an expenditure account named "GV2 Cost." Although Town personnel were unable to explain the reason for creating the account, it appeared that it may have been intended to record expenditures related to the Town Council vision named "Greenville 2.0" or "GV2". Our examination of the "GV2 Cost" account disclosed:

- A \$350 payment to a vendor for brochure development, invoiced on July 31, 2021. The brochure outlined the Town's goals and referenced the "Greenville 2.0" vision. The Town Manager was responsible for developing the brochure, and the Town's accounting records indicate that the Town Mayor initiated the payment from the Town's General Fund, and the Town Manager approved it. In response to our inquiry, Town personnel indicated that they discovered the brochures while organizing the Town Hall in April 2024 and that their review of Town Council meeting minutes did not disclose any discussion of the brochure.
- Six P-card purchases totaling \$1,793 for Christmas lights and decorations. These purchases were made in November 2021 using the Town Manager's assigned P-card with four of the six purchases delivered to the former Office Manager's residence. In response to our inquiries, Town personnel did not know why the shipments were delivered to the Office Manager's residence and speculated that she may have been teleworking at the time.

In response to our inquiries, Town personnel were unable to explain the public purpose of these expenditures or why they were recorded in the "GV2 Cost" account.

The Town's conduct of business with organizations owned or operated by Town Council Members and Town employees can lead to related party transactions resulting in private gains, contrary to State law. In addition, absent documentation to support the public purpose of expenditures incurred, there is a risk that public funds will be used for other than an authorized public purpose.

In October 2024, the Town adopted an Administrative Operations Policy<sup>29</sup> requiring Town Council Members, Charter Officers, and certain employees to file financial disclosures to reveal any affiliations with other organizations to avoid potential conflicts of interest during the procurement of goods and services.

**Recommendation: The Town should ensure that all decisions and actions taken by the Town Council Members, Charter Officers, and employees are free from actual or perceived conflicts of interest. In addition, the Town should follow its adopted policies to avoid potential conflicts of interest during the procurement of goods and services. Finally, the Town should ensure that all transactions, including P-card expenditures, are fully supported and documented to reflect an authorized public purpose prior to payment.**

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<sup>29</sup> *Town of Greenville Administrative Operations Policy*, adopted October 28, 2024, via Resolution 2024-19.

## Finding 5: Town Council Meeting Scheduling, Notices, Agendas, and Minutes

State law<sup>30</sup> requires the Town to provide reasonable notice of all Town Council meetings and that the minutes of those meetings be promptly recorded and open to public inspection.<sup>31</sup> During the period April 2021 through February 2024, the Town Council held 46 meetings, composed of 36 regular meetings, 6 special meetings, and 4 public hearings. Our examination of Town records and discussions with Town personnel regarding Town Council meetings disclosed deficiencies related to scheduling meetings, proper notice of meetings, meeting agendas and materials, and the preparation, approval, and transcription of meeting minutes.

**Town Council Meetings Scheduling.** The Town Charter<sup>32</sup> and Rules of Procedure<sup>33</sup> require the Town Council to hold regular meetings once a month. According to Town personnel, these meetings are generally held on the second Monday of each month; however, this schedule is not specified in the Town's Rules of Procedure. Our examination of Town Council meeting records for the period April 2021 through February 2024 disclosed that 9 regular meetings were not held on the second Monday of the month. Although Town personnel indicated that 2 meetings were rescheduled due to scheduling conflicts and lack of proper notice, they could not explain why the other 7 meetings<sup>34</sup> were rescheduled.

Inconsistent scheduling of monthly Town Council meetings may reduce public opportunities to attend such meetings. In October 2024, the Town Council adopted an Administrative Operations Policy,<sup>35</sup> which states that regular meetings will be held on the second Monday of each month.

**Town Council Meeting Notice.** Town personnel were unable to provide evidence that 42 Town Council meetings had been noticed in accordance with State law<sup>36</sup> and Town Rules of Procedure.<sup>37</sup> According to Town personnel, notices of meetings were posted outside of Town Hall and on the Town's Web site; however, the Town did not maintain records of those meeting notices and there is no specific document that records dates and times when notices are posted at the Town Hall and on the Town's Web site.

Meeting notice documentation identifying the meeting date, time, and location was available for the other 4 Town Council meetings; however, the notices did not include any agendas. According to the Town Attorney, the former Office Managers typically prepared the notices without any review or approval by

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<sup>30</sup> Section 286.011(1), Florida Statutes.

<sup>31</sup> Section 286.011(2), Florida Statutes.

<sup>32</sup> Section 6(b), Town of Greenville Charter.

<sup>33</sup> Rule 3.01 (Regular Meetings), Rules of Procedure, adopted August 9, 2021. The Rules of Procedure act as a policy of the Town Council and state that the procedures in that document shall govern all official meetings of the Town Council and that the members of the Town Council, Town staff, and the public shall adhere to those rules.

<sup>34</sup> Instead of being held on the regular schedule of the second Monday of the month, the seven meetings were held on: July 19, 2021 (the third Monday of the month); October 12, 2021 (the second Tuesday of the month); February 7, 2022 (the first Monday of the month); May 2, 2022 (the first Monday of the month); November 17, 2022 (the third Thursday of the month); April 17, 2023 (the third Monday of the month); and September 12, 2023 (the second Tuesday of the month).

<sup>35</sup> *Town of Greenville Administrative Operations Policy*, adopted October 28, 2024, via Resolution 2024-19.

<sup>36</sup> Section 286.011, Florida Statutes, (Florida's Government in the Sunshine Law) requires reasonable notice of meetings be given. The Attorney General's *Government-in-the-Sunshine Manual 2024 Edition*, Part I(D)(4)(a) outlines what reasonable notice may include, including but not limited to, the time and place of the meeting, an agenda for the meeting prominently displayed and provided at least 7 days prior to the meeting, and provision of press releases to the local news media.

<sup>37</sup> Rule 4.06 (Public Notice), Rules of Procedure, adopted August 9, 2021, specifies that meeting notices are to be made available to the public at least 2 business days prior to the meeting. The notice with agenda is to be posted outside of Town Hall and on the Town's Web site.

other Town personnel or the Town Council. Failure to provide adequate notice of Town Council meetings limits the general public's opportunity to appear and present their views on matters that might affect their rights and to otherwise be aware of and participate in Town affairs.

**Meeting Agendas and Accompanying Materials.** The Town Rules of Procedure<sup>38</sup> require that items be placed on the agenda by the Town Manager, the Town Attorney, or any member of the Town Council. The Town Manager or designee, or an individual designated by the Town Council, is to coordinate with the Town Clerk to prepare the agenda, with accompanying backup materials, to be available for distribution 2 business days prior to the meeting. However, the rules do not specify who prepares the agenda when the Town Clerk is unavailable and the Town Council does not officially designate an individual to prepare the agenda. In November 2024, Town personnel acknowledged that the Town Rules of Procedure should be amended to clarify who assumes the Town Clerk's duties when the Town Clerk position is vacant.

According to Town personnel, an agenda typically includes the preceding meeting minutes as an agenda item for Town Council approval, along with the respective meeting minutes as a supporting document. Town personnel also indicated that the former Office Managers were responsible for e-mailing the meeting packets<sup>39</sup> to Town Council Members 2 business days prior to the meeting. In addition, the Town Rules of Procedure<sup>40</sup> require a copy of the agenda be available to the public 2 business days before the meeting, the Town Clerk or their designee to post the agenda outside Town Hall and on the Town's Web site, and additional copies and supporting materials to be made available inside Town Hall and on the Web site as soon as printed or digitally available.

Although we requested, Town personnel could not provide evidence that the agendas and accompanying backup materials were distributed 2 business days prior to the 46 Town Council meetings held during the period April 2021 through February 2024. Further review of the meeting agendas and accompanying backup materials disclosed that:

- The agendas and accompanying meeting packets for 4 Town Council meetings held in October 2021 (a public hearing meeting), September 2022 (regular meeting), and September 2023 (1 public hearing meeting and 1 special meeting) were not posted on the Town's Web site.
- The agendas for 28 regular Town Council meetings held in May and June 2021, August 2021 through August 2022, October and November 2022, June 2023, and September 2023 through February 2024 were posted on the Town's Web site; however, the respective meeting packets were not posted.
- The agenda and meeting packet for one regular Town Council meeting held in July 2021 were not posted on the Town's Web site.
- Incomplete meeting packets for 4 Town Council meetings held in April 2021, March 2023, July 2023, and August 2023, were posted on the Town's Web site. The meeting packets were incomplete, as they excluded supplementary materials for items the Town Council would act upon or discuss, such as ordinances, resolutions, and preceding meeting minutes.

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<sup>38</sup> Rule 4.01 (Procedures for Preparation of Town Council Agendas), Rules of Procedure, adopted August 9, 2021.

<sup>39</sup> A meeting packet is a collection of documents and accompanying materials prepared and distributed in advance of a Council meeting. A meeting packet typically includes the agenda, an outline of topics to be discussed, minutes from the previous meeting, and information and reports that will be discussed during the meeting.

<sup>40</sup> Rule 4.06 (Public Notice), Rules of Procedure, adopted August 9, 2021.

The lack of proper distribution of Town Council meeting agendas and accompanying materials 2 business days prior to the Town Council meetings, constitutes noncompliance with the Town's Rules of Procedure, reduces transparency, and may limit public participation. In addition, failure to grant public access to all meeting packets may erode public trust and confidence.

**Meeting Minutes Preparation and Approval.** State law<sup>41</sup> requires that meeting minutes be promptly recorded and open to public inspection. In addition, the *Sunshine Manual*<sup>42</sup> advises that draft minutes of a Town Council meeting may be circulated to individual Council Members for corrections and studying prior to approval by the Council, so long as any changes, corrections, or deletions are discussed and adopted during the public meeting when the Council adopts the minutes. Further, the Town Rules of Procedure require minutes to be approved at the subsequent Town Council meeting.<sup>43</sup> Our examination of the minutes for the 46 Town Council meetings held during the period April 2021 through February 2024 disclosed deficiencies in the availability, approval, or transcription of minutes for 18 Town Council meetings. Specifically, the minutes for:

- 10 meetings (June 2021, two in August 2021, January 2022, August 2022 through November 2022, and two in September 2023) were unavailable for our inspection. Town personnel indicated that they searched for the minutes and do not know why they were unavailable.
- 5 meetings were not approved by the Town Council. As the minutes for 4 Town Council meetings held in June 2021, August 2021, January 2022, and August 2022 were unavailable, Town records did not demonstrate the approval of the minutes for the 5 preceding meetings (May 2021, two in July 2021, December 2021, and July 2022).
- 3 meetings held in December 2021, May 2023, and November 2023 did not state whether the minutes for the preceding Town Council meetings held in November 2021, April 2023, and October 2023, respectively, were approved.

In addition, there was no evidence that a Town employee reviewed the Town Council meeting minutes for accuracy before submitting to the Town Council for approval. Lack of prompt preparation, approval, and availability of Town Council minutes constitutes noncompliance with State law and the Town Rules of Procedure, increases the risk for inaccuracies in the minutes, and reduces transparency and accountability.

**Transcription of Town Council Meeting Minutes.** The Town Charter<sup>44</sup> requires the Town Clerk or designee to attend all Town Council meetings in person and prepare the minutes. Because the Town Clerk position was vacant during the period April 2021 through February 2024, the minutes were signed as prepared by the Office Managers employed during that period. However, neither the meeting minutes nor alternate Town written records indicated whether the Office Managers attended the Town Council meetings. In response to our inquiries, Town personnel stated that meeting minutes were typically prepared from audio or video recordings of the meetings and that those recordings could clarify meeting attendance. However, although we requested, Town personnel were unable to locate any audio or video recording files from the meetings. In response to our further inquiry in November 2024, Town personnel

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<sup>41</sup> Section 286.011(2), Florida Statutes.

<sup>42</sup> *Government-in-the-Sunshine Manual 2024 Edition*, Part I (D)(3)(a).

<sup>43</sup> Rule 1.02, Rules of Procedure, stipulate that Robert's Rules of Order govern Town Council meetings, and Robert's Rules of Order indicate that minutes of meetings are typically approved at the next meeting.

<sup>44</sup> Section 4(b)(3), Town of Greenville Charter.

stated that the signatures of the Office Managers, who were acting as custodian of records, certified the meeting minutes as complete, adopted, and official records.

Notwithstanding, absent evidence that the Office Managers attended the meetings, Town records do not demonstrate compliance with the Town Charter, which requires meeting minutes be prepared by someone attending the meetings in person. In the absence of in-person meeting attendance, the maintenance of audio or visual recordings of the meetings could provide evidence that the transcribed meeting minutes accurately reflect the Town business conducted.

**Recommendation: The Town should:**

- **Schedule monthly Town Council meetings as established in the Administrative Operations Policy and, should rescheduling be necessary, maintain explanatory documentation.**
- **Provide adequate notice of Town Council meetings to the general public.**
- **Follow the Town Rules of Procedure and provide to Town Council Members, at least 2 business days prior to a Town Council meeting, the meeting agenda and accompanying backup materials clearly describing the Town business to be conducted at the meeting. In addition, the Town should make the meeting agendas and accompanying materials available to the general public.**
- **Promptly prepare, review, and approve Town Council meeting minutes and ensure that the minutes are available for public inspection.**
- **Require the person preparing the meeting minutes to personally attend, and record his or her attendance at, all meetings or require video or audio recordings of the meetings be maintained to support that the minutes accurately reflect the Town business conducted.**

## **Finding 6: Conduct of Town Council Meetings**

The orderly and lawful conduct of Town Council Meetings is essential for maintaining public trust and ensuring effective governance. State law<sup>45</sup> requires that all Town Council meetings at which official acts are to be taken be open to the public at all times and no resolution, rule, or formal action shall be considered binding except as taken or made at such meeting. The Town Rules of Procedure<sup>46</sup> require the Town to use Robert's Rules of Order for the conduct of Town Council meetings, and the outline the requirements for recording minutes and governing public participation. The Town Rules of Procedure<sup>47</sup> also require that a quorum, defined as a majority of the Town Council, be present to conduct official business.

Our examination of records for the 46 Town Council meetings held from April 2021 through February 2024 disclosed that:

- Town records do not document whether a quorum was present for 10 Town Council meetings as meeting minutes for were not available for examination (as also discussed in Finding 5). Town personnel acknowledged that a quorum was not present for at least 1 of the 10 meetings, an emergency meeting held on September 29, 2023, to adopt the Town's 2023-24 fiscal year budget

<sup>45</sup> Section 286.011(1), Florida Statutes.

<sup>46</sup> Rule 1 (General Provisions), Rule 3 (Council Meetings), Rule 4 (Town Council Agendas), Rule 6 (Presiding Officer), Rule 7 (Meeting Decorum and Order), Rule 8 (Rules of Debate) Rules of Procedure, adopted August 9, 2021.

<sup>47</sup> Rule 3.07 (Telephonic and Real-Time Video conference Participation by Member of Town Council who is Physically Absent), Rules of Procedure, adopted August 9, 2021.

and ad valorem property tax millage rate. According to Town personnel, the Town Manager initially reported that there was a quorum in attendance and actions pertaining to the budget and millage rate were taken. However, upon further verification, Town personnel confirmed that one of the Town Council Members recorded as attending the meeting was not actually present. In response to our inquiry as to why a meeting was conducted without a quorum, Town personnel indicated that they did not know because the Town Manager who conducted the meeting separated from Town employment in November 2023. Due to the attendance recording error, Town personnel removed the summary of the meeting<sup>48</sup> from the Town's Web site, and the actions taken during the meeting were nullified.<sup>49</sup>

- Meeting minutes for 6 Town Council meetings held in October 2021, December 2021, May 2022, June 2022, July 2023, and December 2023 did not record the votes of the individual Town Council Members, contrary to the rules for meetings which require the meeting minutes to include the motion, as well as each member's name and whether they voted, and if they voted, whether they voted in favor, against, or if they abstained. For example, during the October 12, 2021, meeting, the Town Council discussed sending a \$100 check to all utility customers with accounts "in good standing" established prior to April 1, 2020,<sup>50</sup> and during the May 2, 2022, meeting, the Town Council discussed authorizing the Town Manager to secure \$1.1 million in grant funding to purchase equipment. Our review of Town records indicated that the checks were mailed to utility customers and that the Town purchased the equipment; however, the respective meeting minutes do not indicate that the Town Council voted to send the checks or purchase the equipment. Although we inquired, Town personnel were unable to explain why the votes were not recorded.

Absent accurate attendance records, such as lists of Town Council members present and absent and audio or video recordings that confirm the presence of a quorum and document the votes taken, there is no assurance that the quorum required to conduct official Town business was present. Additionally, the absence of accurate voting records raises concerns about the integrity of the decision-making and actions taken. Consequently, the actions taken by the Town Council under these circumstances may be subject to legal challenge and possible invalidation.

**Recommendation: The Town should ensure that all Town Council meetings have a quorum present to conduct official business and that voting procedures are followed and documented in the meeting minutes, including the recording of the Town Council member votes.**

### **Finding 7: Town Council Member Involvement in Town Business**

The Town Charter<sup>51</sup> states, "Neither the Town Council nor any of its members shall give orders to any employee other than Town Council orders to a Charter Officer. The Town Council or its member shall deal on all matters through the appropriate Charter Officer."

Our examination of Town records and discussions with Town personnel disclosed that various Town Council Members had been regularly involved in the day-to-day operations of the Town, contrary to the Town Charter. Specifically:

<sup>48</sup> Rule 3.05 (Emergency Meetings), Rules of Procedure, adopted August 9, 2021, states that within 24 hours following the emergency meeting, public notice shall be posted outside of the Town Hall and on the homepage of the Town's Web site declaring that an emergency session was held, and setting forth the agenda of specific items discussed, considered, or decided.

<sup>49</sup>The 2023-24 fiscal year budget and millage rate were eventually approved by the Town Council on March 11, 2024.

<sup>50</sup> Our examination of Town records indicated that the Town provided refunds totaling \$30,200 to 302 utility customers.

<sup>51</sup> Section 5(b), Town of Greenville Charter.

- During the period October 2022 through February 2024, 17 Town Council stipends and 3 travel reimbursements totaling \$7,084 were initiated and authorized by a Town Council Member without secondary approval.
- In April 2021 and October 2021, the Mayor initiated two reimbursements totaling \$800 to her mother for catering services provided to the Town for staff meetings.
- In December 2022, the Mayor wrote a check to “pettie [sic] cash” for \$200 from a Town bank account; however, the Town did not maintain a petty cash fund, nor did Town records or Town personnel provide the purpose of the check. Our examination of the image of the canceled check indicated that the Office Manager endorsed and cashed the check.
- During the period October 2022 through February 2024, the Town Manager approved, and a Town Council Member processed, 28 vendor payments totaling \$1.2 million through the Town’s online payment platform.
- Beginning February 2024, the Mayor and Vice Mayor were the only individuals with online access to the Town’s 7 bank accounts. Consequently, Town personnel could not access online bank statements and other banking records and had to obtain those records from the Mayor and Vice Mayor. During the period February 2024 to September 2024, the Town’s Vice Mayor transferred funds between the Town’s seven bank accounts. For example, we identified three transfers in the amounts of \$3,684, \$4,856, and \$56,500, that she transferred online between Town bank accounts to cover payroll and vendor payments.

In response to our inquiries, Town personnel stated that, due to the employment termination of the former Town Manager in November 2023, various Town Council Members aided Town personnel to ensure the efficient continuation of Town operations. Notwithstanding this response, the Town Council’s involvement in the Town’s daily operations is contrary to the Town’s Charter and the bypassing of established Town policies and procedures could lead to public resources being used for inappropriate purposes. In September 2024, the Town adopted a policy<sup>52</sup> that clearly outlines and limits the Town Council’s involvement in the day-to-day operations of the Town.

**Recommendation:** In accordance with the Town Charter and adopted Town policy, the Town should limit the Town Council’s involvement in the day-to-day operations of the Town.

### **Finding 8: Ethics Training**

State law<sup>53</sup> requires that each member of a municipal governing body complete 4 hours of ethics training each calendar year by December 31. If the term of office begins on or before March 31, the training must be completed within the same year. However, if the term of office begins after March 31, the ethics training must be completed by December 31 of the following year. The training must address, at a minimum, Section 8, Article II of the State Constitution; the Code of Ethics for Public Officers and Employees; and the public records and public meetings laws of the State of Florida. The Florida Commission on Ethics recommends that training recipients track all the ethics training completed.<sup>54</sup>

Our audit procedures disclosed that the Town lacks adequate policies and procedures to remind Town Council members of mandatory ethics training requirements and to track completion of such training. Although the Town Attorney notifies Council Members of the annual ethics trainings provided by the

<sup>52</sup> *Town of Greenville Financial Controls and Authorization Policy.*

<sup>53</sup> Section 112.3142(2)(b) and (f), Florida Statutes.

<sup>54</sup> Florida Commission on Ethics Web site: *Training.*

Florida League of Cities,<sup>55</sup> Town personnel do not keep track of the ethics training completed. Our review of Town records in September 2024 confirmed that there were no ethics training expenses for the audit period related to Town Council Members and employees.

In response to our inquiries, Town personnel could not provide an explanation for the absence of ethics training policies and procedures. The lack of ethics training could lead to noncompliance with State law, lack of transparency and accountability, and increased risk of misuse of public resources. In addition, completion of the ethics training may have helped prevent deficiencies regarding the filing of financial disclosure forms, conflicts of interest, doing business with related organizations, the conduct of Town Council meetings, and the involvement of the Council Members in day-to-day Town operations, as discussed in Findings 1 through 7.

In October 2024, the Town adopted an Administrative Operations Policy,<sup>56</sup> requiring charter officers and key personnel to participate in training and development programs as required by the Town Manager. However, the policy does not apply to Town Council members.

**Recommendation: The Town should enhance its policies and procedures to require mandatory ethics training for Town Council Members, as required by State law, and should maintain records evidencing each Council Member’s completion of the training.**

**BUDGETARY PROCESS AND FINANCIAL CONDITION**

**Finding 9: Budgetary Process**

Pursuant to State law,<sup>57</sup> and the Town Charter,<sup>58</sup> the Town must adopt a budget by ordinance each fiscal year, and the total amount available from taxation and other sources, including balances brought forward from prior fiscal years, must equal the total appropriations for expenditures and reserves. The Town Council’s adopted budget must regulate the Town’s expenditures, and it is unlawful to expend or contract for expenditures in any fiscal year except pursuant to the adopted budget. The budget may be amended at any time during a fiscal year and within 60 days after the end of the fiscal year.<sup>59</sup>

Our examination of Town records in October 2024 and discussions with Town personnel regarding the budgetary process disclosed that controls over budget hearings, budget preparation, budget transparency, recording, reporting, and monitoring could be improved.

**Budget Hearings.** Pursuant to State law,<sup>60</sup> a municipality may levy ad valorem taxes on real and tangible personal property within the municipality in an amount not to exceed 10 mills. State law<sup>61</sup> imposes requirements on taxing authorities (such as municipalities) to advertise, in advance of the adoption of a

<sup>55</sup> The Florida League of Cities offers several training programs for newly elected Council Members such as an Online Orientation for Newly Elected Officials which covers all aspects of municipal governance and a State-Mandated Ethics Training.

<sup>56</sup> *Town of Greenville Administrative Operations Policy*, Resolution 2024-19, adopted October 28, 2024.

<sup>57</sup> Section 166.241(2), Florida Statutes.

<sup>58</sup> Section 9(a), Town of Greenville Charter.

<sup>59</sup> Section 166.241(8), Florida Statutes.

<sup>60</sup> Section 166.211(1), Florida Statutes.

<sup>61</sup> Section 200.065, Florida Statutes.

budget authorizing the expenditure of such tax levy proceeds, certain information regarding the tax levy and the taxing authority's budget.

Pursuant to State law,<sup>62</sup> each taxing authority, no later than 30 days following adoption of an ordinance or resolution establishing the property tax levy, must certify compliance with applicable provisions of State law and provide to the Florida Department of Revenue (FDOR) the certification, specified documents (including a copy of the ordinance or resolution establishing the tax levy and a copy of the certified advertisement published pursuant to State law),<sup>63</sup> and other related information. The FDOR notifies taxing authorities that are in violation of State law,<sup>64</sup> and any such taxing authority will be subject to forfeiture of State funds otherwise available to it or be required to repeat the hearing and notice process pursuant to State law.<sup>65</sup>

Our examination of the October 9, 2023, Town Council meeting minutes disclosed that the Town Council adopted the 2023-24 fiscal year budget and ad valorem tax levy millage rate by resolution.<sup>66</sup> Although we inquired, Town personnel were unsure why the Town used a resolution to adopt the budget and millage rate rather than an ordinance as required by State law and the Town Charter. Subsequently, on March 11, 2024, the Town Council passed ordinances<sup>67</sup> to adopt the final 2023-24 fiscal year millage rate and budget, thereby complying with State law and the Town Charter.

In addition, in November 2023, the FDOR notified the Town of noncompliance with statutory requirements regarding the 2023-24 fiscal year budget adoption and millage levy because the original advertisement on September 22, 2023, for the budget hearing and budget summary was not adjacent to the Notice of Property Tax Increases advertisement. To address the noncompliance, the Town re-advertised the notice of proposed tax increase and millage rate in a newspaper on January 5, 2024. However, the FDOR did not deem the newspaper advertisement to be sufficient. Ultimately, the Town's March 8, 2024, advertisement resolved the FDOR's concerns.

Absent adequate controls to ensure required budget hearings are advertised and held in accordance with State law, and that budgets are adopted by ordinance as required by State law and the Town Charter, the Town's efforts to adopt budget and ad valorem millage may be rendered invalid, and the Town may incur additional costs for re-advertising and repeat budget hearings.

**Budget Preparation and Recording.** The beginning balances in the Town's approved 2023-24 fiscal year budget were the same as the fiscal year-end balances budgeted for the 2021-22 fiscal year. In response to our inquiries, Town personnel indicated that they were unaware how previous Town Managers determined the balances, and that the Town hired an accounting firm to assist in updating the Town's financial records, including prior fiscal year-end balances. In addition, as of November 2024, the Town had not yet completed its 2022-23 fiscal year financial audit; therefore, Town personnel indicated

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<sup>62</sup> Section 200.068, Florida Statutes.

<sup>63</sup> Section 200.065(3), Florida Statutes.

<sup>64</sup> Section 200.065(13)(a), Florida Statutes.

<sup>65</sup> Section 200.065(13)(c), Florida Statutes.

<sup>66</sup> Town of Greenville Resolution Nos. 2023-08 and 2023-09.

<sup>67</sup> Town of Greenville Ordinance Nos. 2024-277 and 2024-278.

that they did not have the financial information necessary to determine the actual 2022-23 fiscal year-end balances.

Notwithstanding, fiscal year-end balances can be estimated and then later adjusted to actual amounts through the budget amendment process. Consideration of estimated balances and then actual prior fiscal year balances when they become known, provides for transparency of all available sources, increases the usefulness of the budget as a financial management tool, and enables the Town to determine appropriate increases and decreases in revenues that may be needed to fund the Town's budget priorities.

In addition, our examination of Town records and discussions with Town personnel disclosed that neither the Town Charter, ordinances, nor policies and procedures, defined the legal level of budgetary control. Therefore, it is incumbent on the Town Council to determine the level of detail necessary and make appropriations and adopt a budget at the appropriate level of budgetary control. The Town Council's adopted 2023-24 fiscal year budget did not specify the legal level of budgetary control; however, the budget presented expenditures at the functional level (for example, Public Safety, Culture and Recreation, and Transportation). Although we inquired, Town personnel did not explain why the legal level of budgetary control had not been defined.

To effectively manage expenditures, it is essential that adopted budgets be accurately recorded in the Town's accounting records. Our examination of the Town's accounting records disclosed that the 2022-23 and 2023-24 budgeted expenditures amounts had not been input into the Town's accounting records. In response to our inquiries, Town personnel indicated that budgeted expenditures amounts had not been recorded in the Town's accounting records since the 2020-21 fiscal year but did not provide an explanation for the lack of recording. Absent controls to ensure that Town Council-approved budgeted expenditures are properly recorded in the accounting records at an established legal level of budgetary control, there is an increased risk that actual expenditures will not be consistent with, or will exceed, approved budgeted expenditure amounts.

**Budget Reporting and Monitoring.** According to Government Finance Officers Association (GFOA) recommendations,<sup>68</sup> regular and frequent reporting is necessary to provide accountability, educate and inform stakeholders, and improve confidence in the government; communication and involvement is an essential component of every aspect of the budget process; and regular monitoring of budgetary performance provides an early warning of potential problems and gives decision makers time to consider actions that may be needed if major deviations in budget-to-actual comparison results become evident. Our examination of Town records for the period October 2022 through February 2024 and discussions with Town personnel disclosed that:

- Although the Town Charter<sup>69</sup> requires the Town Manager to keep the Town Council fully advised as to the financial condition and future needs of the Town, the Charter does not specify any type of report to be presented to the Town Council or the reporting frequency thereof.

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<sup>68</sup> *Recommended Budget Practices of the National Advisory Council on State and Local Budgeting (1998).*

<sup>69</sup> Section 4(b)(2), Town of Greenville Charter.

- The Town did not have procedures to monitor budgeted revenues and expenditures during the audit period; however, in June 2024, the Town created a budget analysis that compared current revenues and expenditures to those budgeted.
- Other than a mention in the June 12, 2023, Town Council meeting minutes that the Town Manager delivered a presentation of the Town's financial status, Town records contained no evidence that any information was reported to the Town Council regarding the financial condition and future needs of the Town. Although we requested, we were not provided a copy of the Town Manager's presentation. In addition, Town personnel did not indicate why such reporting was not performed consistently.
- The Town Council did not approve any budget amendments for the 2023-24 fiscal year budget.

Absent periodic financial reporting, including budget-to-actual comparison reports, the Town Council and the public lack the information necessary to gain an appropriate understanding of the Town's financial status. Such information is essential to identifying and timely remedying critical budget shortfalls and verifying that funds are available before authorizing purchases and expenditures. Absent procedures to monitor budgeted revenues and expenditures and periodic budget amendments, the budget may not accurately reflect anticipated revenues and expenditures and there is an increased risk that Town expenditures may exceed available resources.

**Web Site Transparency.** State law<sup>70</sup> requires the tentative budget adopted by the Town be posted on the Town's Web site at least 2 days prior to the budget hearing and remain on the Town's Web site for at least 45 days. The final adopted budget must be posted on the Town's Web site within 30 days of adoption and must remain on the Web site for at least 2 years. Our examination of Town records and discussions with Town Personnel disclosed that the Town did not formally adopt a tentative budget and, therefore, did not post one to the Town's Web site. Although we observed in October 2024 that the 2023-24 fiscal year budget was posted to the Town's Web site, Town personnel were unable to provide documentation evidencing that budget had been posted on the Town's Web site within 30 days of adoption.

**Recommendation:** To comply with State law, the Town Charter, and GFOA recommendations, the Town should enhance controls over the budgetary process to ensure that:

- **Budget hearings are advertised and held in accordance with State law and the Town Charter.**
- **Final budgets and ad valorem millage rates are adopted by ordinance.**
- **Beginning budgetary balances reflect the best available financial data from the prior fiscal year.**
- **The desired legal level of budgetary control is established, codified in Town ordinances, and approved budget amounts are properly recorded in Town accounting records.**
- **The Town Manager periodically prepares and presents to the Town Council financial reports that include comparisons of actual to budgeted revenues and expenditures.**
- **The budget be amended when necessary to accurately reflect anticipated revenues and expenditures.**
- **The Town timely posts tentative and final budgets to the Town's Web site.**

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<sup>70</sup> Section 166.241(3), Florida Statutes.

## Finding 10: Financial Condition

Deteriorating financial conditions affect the ability of a local government to provide services, on a continuing basis, at the level and quality required for the health, safety, and welfare of its citizens. Auditor General rules<sup>71</sup> require independent certified public accountants (CPAs) who perform a financial audit of a local governmental entity to assess the entity's financial condition. The audit report's management letter must include a statement that the CPA applied financial condition assessment procedures<sup>72</sup> and, if a deteriorating financial condition<sup>73</sup> was noted, the CPA must also include a statement that the entity's financial condition is deteriorating and provide a description of conditions causing the CPA to make that conclusion.

As of November 2024, the Town's 2021-22 fiscal year financial statements were the most recent audited financial statements available. In the management letter included with the 2021-22 fiscal year audit report, the CPA disclosed the following deteriorating financial conditions as of September 30, 2022:

- The General Fund assigned and unassigned fund balance was approximately 4 percent of total General Fund expenditures, which was less than the 33 percent recommended by the GFOA. The audited financial statements indicated that General Fund expenditures exceeded revenues by \$346,652 and that the General Fund's fund balance declined from \$328,429 at October 1, 2021, to \$50,050 at September 30, 2022, a decrease of \$278,379, or approximately 85 percent.
- The Utility Fund had a deficit unrestricted net position balance (negative \$16,122) and the Utility Fund experienced a \$368,309 operating loss for the fiscal year.

To correct the deteriorating financial conditions, the CPA recommended that the Town review its financial condition and adjust the operating budget for the General Fund and Utility Fund to improve the long-term financial condition of the Town.

The audit report for the Town's 2022-23 fiscal year financial statements was completed in January 2025, and the management letter continued to disclose a deteriorating financial condition for the General Fund because, although the assigned and unassigned fund balance had increased to approximately 8 percent of total General Fund expenditures, the 8 percent was still less than the recommended 33 percent. In connection with our audit, we attempted to perform an assessment of the Town's financial condition as of June 2024; however, the Town's accounting records were incomplete and contained significant errors (as discussed in Finding 12), which precluded us from making an accurate assessment of the Town's financial condition.

In response to our inquiries, Town personnel indicated that they could not identify any specific activities or projects initiated to improve the Town's financial condition, as the Town's accounting records were incomplete and bank reconciliations had not been performed for at least a year (as discussed in Finding 13). In February 2024, the Town contracted with a bookkeeper to complete the bank

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<sup>71</sup> According to Section 10.556(8), Rules of the Auditor General, the auditor is responsible for assessing financial condition and the methodology used is a matter of professional judgment.

<sup>72</sup> Section 10.554(1)(i)(5), Rules of the Auditor General.

<sup>73</sup> Pursuant to Section 10.554(1)(f), Rules of the Auditor General, a deteriorating financial condition is a circumstance determined as of the fiscal year end that significantly impairs a county, municipality, or special district's ability to generate enough revenues to meet its expenditures without causing a condition described in Section 218.503(1), Florida Statutes, to occur.

reconciliations, and in June 2024, the Town contracted with an accounting firm to correct the Town's financial records to facilitate an accurate assessment of the Town's financial condition. Notwithstanding these described efforts, given the Town's insufficient accounting records, various control deficiencies, and instances of noncompliance disclosed in this report, there is an increased risk that the Town's financial condition may continue to deteriorate.

**Recommendation:** The Town should take immediate actions to assess and improve the Town's financial condition. Such actions should include following the financial auditor's recommendation to adjust the operating budget for the General Fund and Utility Fund. To facilitate effective, continuous monitoring of the Town's financial condition, the Town should continue efforts to ensure that the Town's financial records are accurate and complete.

### **Finding 11: General Fund Unrestricted Fund Balance and Enterprise Fund Working Capital Requirements**

To help ensure that adequate funds are available to mitigate current and future risks, such as revenue shortfalls or unanticipated expenditures, GFOA best practices recommend that governments establish a formal policy providing a level of unrestricted fund balance<sup>74</sup> that should be maintained in the governments' general fund. According to the GFOA, such a policy should be set by the appropriate body (e.g., Town Council) and articulate a framework and process for how the government would increase or decrease the level of unrestricted fund balance over a specific period, including how resources will be directed to replenish fund balance should the balance fall below the level prescribed. The GFOA recommends that:

- At a minimum, general-purpose governments, regardless of size, maintain an unrestricted fund balance in their general fund that is no less than 2 months of the regular general fund operating revenues or regular general fund operating expenditures.<sup>75</sup>
- Governmental entities develop a target amount of working capital<sup>76</sup> to maintain in each enterprise fund (e.g., the Town's Utility Fund) and include such targets in a formal financial policy or plan. Maintaining targeted levels of working capital in enterprise funds helps provide a government with a buffer for meeting obligations in the event of revenue shortfalls or unanticipated expenses relating to the applicable enterprise operations.
- Entities maintain adequate working capital in each enterprise fund and that in no case should the target be less than 45 days' worth of the fund's working capital needs. In its best practice advisory, the GFOA presents various characteristics that should be considered by a local government when determining the appropriate targets.<sup>77</sup>

Our examination of Town records and discussions with Town personnel in July 2024 disclosed that the Town had not adopted policies that address or provide an appropriate level of unrestricted fund balance to be maintained in the General Fund or an appropriate target amount of working capital to be maintained in the Utility Fund. In response to our inquiries, Town personnel indicated that they were unable to locate any recent assessments of the Town's General Fund's unrestricted fund balance and Utility Fund's

<sup>74</sup> Unrestricted fund balance, according to the GFOA, includes committed, assigned, and unassigned fund balances and represents resources that have the least spending constraints.

<sup>75</sup> GFOA Best Practice: *Fund Balance Guidelines for the General Fund*, September 2015.

<sup>76</sup> The GFOA defines working capital as current assets less current liabilities.

<sup>77</sup> GFOA Best Practice: *Working Capital Targets for Enterprise Funds*, February 2011.

working capital needs. However, the Town hired an accounting firm (as mentioned in Finding 9) to provide accounting, budgeting, and financial consulting services, and Town management expects that such services will also yield GFOA-recommended reports and assessments.

The Town's 2022-23 fiscal year audited financial statements reported a General Fund unrestricted fund balance of \$311,211, reflecting a significant increase of \$261,161 or 522 percent from the prior fiscal year, and reported a Utility Fund unrestricted net position of \$36,536, representing an increase of 327 percent from the prior fiscal year. While the Town maintained a working capital balance of \$145,306 for its Utility Fund, which exceeded the recommended 45-day minimum of \$79,860; the Town maintained an unrestricted fund balance in its General Fund sufficient for only 51 days, falling short of the recommended 2-month threshold.

Notwithstanding these improvements, policies requiring the maintenance of appropriate General Fund unrestricted fund balances and establishing Utility Fund working capital target amounts may prevent future deteriorating financial conditions.

**Recommendation: The Town should establish policies to ensure that the General Fund unrestricted fund balance and Utility Fund working capital amounts are maintained at acceptable levels, consistent with GFOA recommendations.**

## FINANCIAL REPORTING, ACCOUNTING RECORDS, AND INTERNAL CONTROLS

### Finding 12: Financial Audits and Annual Financial Reports

Pursuant to State law,<sup>78</sup> the Town is required to obtain an annual financial audit of its accounts and records by an independent certified public accountant (CPA). The resulting audit report must be filed with the Auditor General within 45 days after delivery of the audit report to the governing body of the Town, but no later than 9 months after the end of the Town's fiscal year.<sup>79</sup> State law<sup>80</sup> also requires the Town to submit a copy of its audit report and annual financial report (AFR) to the Florida Department of Financial Services (FDFS) within 45 days of the completion of the audit report but no later than 9 months after the end of the fiscal year.

Our examination of Auditor General and FDFS records disclosed that the Town's 2020-21, 2021-22, and 2022-23 financial audit reports and AFRs were filed late, as shown in Table 1.

<sup>78</sup> Section 218.39(1)(b), Florida Statutes, provides that any municipality with revenues or total expenditures and expenses in excess of \$250,000, as reported on the fund financial statements, is required to obtain an annual financial audit of its accounts and records by an independent CPA.

<sup>79</sup> Section 218.39(7), Florida Statutes.

<sup>80</sup> Section 218.32(1)(d), Florida Statutes.

**Table 1**  
**Late Filed Audited Financial Statements and AFRs**  
**For the 2020-21, 2021-22, and 2022-23 Fiscal Years**

Fiscal Year	Date Filed	Days Late
<b>Financial Audit Reports:</b>		
<b>With the Auditor General:</b>		
2020-21	September 6, 2022	68
2021-22	November 17, 2023	140
2022-23	January 3, 2025	187
<b>AFRs:</b>		
<b>With the FDFS:</b>		
2020-21	September 13, 2022	75
2021-22	February 17, 2024	232
2022-23	January 3, 2025	187

Source: Town, Auditor General, and FDFS records.

Although we requested, Town personnel did not provide a reason for the delay in filing the 2020-21 and 2021-22 financial audits and AFRs but indicated that the 2022-23 fiscal year audit report was not timely completed and filed because the Town’s accounting records were incomplete when the Town Manager’s employment was terminated in November 2023. In January 2024, the Town’s contracted CPA firm decided not to renew its audit contract with the Town due to the Town’s unreliable financial records which required CPA firm personnel to perform extensive additional work. That additional work resulted in the Town paying additional fees of \$5,000 and \$18,250 for the 2020-21 and 2021-22 fiscal year audits, respectively. In June 2024, the Town contracted with an accounting firm to prepare the Town’s accounting records for audit and, in August 2024, the Town contracted with another CPA firm to perform the 2022-23 fiscal year audit. The Town filed the 2023-24 fiscal year AFR with the FDFS on July 9, 2025. As of July 11, 2025, a draft of the financial audit report for the same fiscal year had been completed but not yet finalized or filed with the Auditor General.

Timely audits are necessary to provide accountability and assurance to citizens and those charged with governance; help ensure that management and those charged with governance are promptly informed of financial concerns (e.g., deteriorating financial conditions), control deficiencies, and financial-related noncompliance; and allow for timely review by appropriate Federal, State, and county oversight entities. Additionally, as the FDFS uses the information provided on AFRs to prepare a verified report pursuant to State law,<sup>81</sup> failure to timely file AFRs with the FDFS may result in financial data not being available to users. In addition, although the Town did not incur any penalties for the untimely filed reports, lack of compliance with statutory filing requirements may subject the Town to monetary penalties.

**Recommendation: The Town should enhance efforts to comply with State law and ensure that annual financial audit reports and AFRs are timely completed and filed with the Auditor General and the FDFS.**

<sup>81</sup> Section 218.32(2), Florida Statutes.

## Finding 13: Accounting Records

Properly designed and maintained accounting systems are necessary to ensure accurate and complete financial information is available to timely prepare financial statements in conformity with Generally Accepted Accounting Principles (GAAP). To help ensure the validity and accuracy of the accounting system information and records, it is important to maintain records in sufficient detail to support the amounts reported on the financial statements and to provide for periodic reconciliations of financial report amounts to the amounts recorded in general ledger or detailed subsidiary records.

To gain an understanding of Town accounting records, we inquired of Town personnel and examined Town records. We found that the Town uses various external software applications to manage the Town's operations (e.g., payroll processing, payment processing, and utility billing) and the data from those applications are subsequently entered into the Town's purchased accounting application software.

We requested for examination selected financial reports and related records, including details of activity for the period October 2022 through February 2024 and corresponding general ledger and detailed subsidiary records. Our examination disclosed several significant errors. For example:

- The Town's payroll expenses processed by the payroll application for the period April 2023 through February 2024 were not entered into the accounting application, resulting in an understatement of payroll costs by \$344,754 in the Town's accounting records.
- A comparison of the data recorded in the payment processing application<sup>82</sup> to data recorded in the accounting application for the period October 2022 through February 2024 disclosed significant differences. Specifically:
  - The payment processing application reported General Fund nonpayroll expenditures totaling \$760,168; however, the accounting application reported nonpayroll expenditures totaling \$694,183, \$65,985 (9 percent) less than the payment processing application.
  - The payment processing application included expenditures of \$11,708 that were not recorded in the accounting application but did not include expenditures of \$175,394 recorded in the accounting application, resulting in a net difference of \$163,686.
- Our comparison of the Town's P-card activity in the accounting records to the Town's bank statements for the period October 2022 through February 2024 disclosed P-card charges totaling \$2,993<sup>83</sup> reported in the accounting records but not reported on the Town's monthly bank statements for the same period, which was approximately 9 percent of the \$32,824 P-card charges recorded in the Town's accounting system for that period.
- The Town's accounting application reported General Fund and Utility Fund revenues of \$3.2 million and \$1.4 million, respectively. We examined eight General Fund revenue transactions and one expenditure credit transaction for accuracy and propriety and noted that the purpose of those eight revenue transactions totaling \$2.0 million and the expenditure credit transaction totaling \$98,500 was not evident from Town accounting records. In addition, a \$50,000 Utility Fund revenue transaction debit was labeled as a chargeback in the credit card payment revenue account; however, Town records did not evidence the purpose of the

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<sup>82</sup> The Town used an online system designed to simplify and automate financial processes for small entities, including making payments to the Town's various vendors.

<sup>83</sup> The P-card charges totaling \$2,993 were incurred during the November 2023 billing cycle. Although we requested, the Town was unable to provide documentation providing detail of the charges incurred by the Town.

transaction. In response to our inquiries, Town personnel indicated that they could not determine the purpose of these ten transactions.

- We noted numerous errors involving the Town’s recording of transfers-in and transfers-out, for example:
  - Contrary to GAAP, transfers-in did not match transfers-out, as shown in Table 2. Although we requested, Town personnel were unable to explain this discrepancy.

**Table 2**  
**Transfers-In and Transfers-Out**  
**For the Period October 2022 through February 2024**

Fiscal Year/Fund	Transfers-In	Transfers-Out
General Fund	\$173,522	\$7,006
Utility Fund	118,415	(7,806)
<b>Totals</b>	<b><u>\$291,937</u></b>	<b><u>\$ (800)</u></b>

Source: Town records.

- We reviewed for propriety six transfers-in totaling \$238,642 for the General Fund (two transfers) and the Utility Fund (four transfers) and noted that the accounting records did not explain the purpose of nor how the amounts were calculated for two transfers-in to the General Fund, totaling \$127,983, and one transfer-in to the Utility Fund for \$99,625. According to Town personnel, Town officers and staff diligently searched for records and made inquiries but could not determine the purpose for the transfers.
- The Utility Fund had three transfers-out totaling \$7,806 recorded as credits instead of debits, resulting in the overall transfers-out account balance having a net credit balance of \$7,806. Despite our inquiries, Town personnel could not provide an explanation for the recording of these transfers.

Town personnel also indicated that the Town Manager manually recorded journal entries into the accounting application using data from the other software applications utilized by the Town. In December 2024, Town personnel further indicated that payments generated by the payment processing application were automatically entered into the accounting application. Timely and properly performed bank account reconciliations may have detected errors in the accounting records; however, as noted in Finding 14, the Town’s bank account reconciliation process was deficient.

Without accurate and complete accounting records and reports, the Town cannot demonstrate proper accountability for activities and operations or assure citizens and oversight entities of the appropriate stewardship of Town resources. In addition, the lack of accurate and complete accounting records may have contributed to the deficiencies noted in other findings regarding the Town’s financial condition, fund balance and working capital monitoring, timely financial reporting, financial statement audits, and bank reconciliations.

As previously noted, the Town engaged an accounting firm in June 2024 to assist in correcting errors in the Town’s accounting records.

**Recommendation: The Town should establish and maintain a properly designed accounting system and related policies and procedures. The policies and procedures should require and ensure the accurate and timely recording of all financial activity in the Town’s accounting records and the maintenance of appropriate supporting documentation. Such policies and procedures**

should also require periodic reconciliation of the output from the Town's various software applications.

#### **Finding 14: Bank Reconciliations**

Bank account reconciliations verify that cash amounts included in the bank statements and the Town accounting records are accurate and complete and help provide for the timely detection of errors and fraud. Effective bank account reconciliation procedures require and ensure that:

- Employees performing, reviewing, and approving the reconciliations do not have cash handling and journal entry responsibilities.
- The identities of the employees who perform the reconciliations and the employees who review and approve the reconciliations are documented to properly affix responsibility for those duties.
- Reconciling items are documented and promptly and thoroughly investigated, explained, and resolved.
- Reconciliations are timely completed and any related adjustments to Town accounting records are timely made.

As of February 29, 2024, the Town had seven bank accounts, including the General Fund, the Utility Fund, and the Utility Fund Deposit bank accounts, which accounted for 96 percent of the Town's financial activities during the period October 2022 through February 2024. At that date, the balances in the seven accounts totaled \$393,575, including \$345,396 in the General Fund bank account, \$31,212 in the Utility Fund and Utility Fund Deposit bank accounts, and \$16,967 in the other accounts.

During the 17-month period of October 2022 through February 2024, 119 monthly bank account reconciliations should have been completed. According to Town personnel, after the Town Manager's employment was terminated in November 2023, the Interim Town Manager discovered that bank reconciliations had not been performed for nearly a year. In February 2024, the Town hired a consultant to reconcile the bank statements. However, as of September 2024, 8 of the 119 monthly bank account reconciliations had not been conducted and Town records did not evidence review and approval of the bank account reconciliations prepared by the consultant.

In October 2024, we examined the bank account reconciliations for September 30, 2023, and February 29, 2024, and noted numerous issues. For example:

- Reconciling items existed on the General Fund bank account reconciliations for September 2023 and February 2024. These reconciling items dated back as far as September 30, 2022. For example, the September 2023 and February 2024 bank reconciliations contained uncleared deposits and other credits consisting of four journal entries (dated September 30, 2022, and September 8, 2023) totaling \$981 and 2 deposits (dated April 5, 2023, and July 26, 2023), totaling \$10,045. The reconciling items were not timely investigated and cleared due to the delays in completing the bank reconciliations.
- The Utility Fund Deposit bank account reconciliation for September 2023 had outstanding deposits dated from mid-August through mid-September 2023 totaling \$40,969. These outstanding deposits remained outstanding through the bank reconciliation for December 2023. We traced the outstanding items to the Utility Fund's August and September 2023 bank statements and noted that the individual who performed the bank reconciliations in February 2024

erroneously reported Utility Fund bank account deposits as Utility Fund Deposit bank account deposits.

- The Utility Fund bank account reconciliations for September 2023 and February 2024 included reconciling items consisting of 23 uncleared checks for \$100 each, dated October 2021 and December 2021 and totaling \$2,300, that were issued to disburse American Rescue Plan Act<sup>84</sup> funds to Town utility customers. However, Town records did not evidence research as to why the checks had not cleared or why, when 2 years had passed since the checks were issued, no actions had been taken to resolve the issue.
- The Florida Department of Environmental Protection (DEP) State Revolving Funds bank account reconciliation for February 2024 had reconciling items consisting of three outstanding credit transfers dated June 2023 totaling \$680. Two of the three transfers, totaling \$359, could not be traced to corresponding uncleared debit transfers in other bank accounts.
- The Utility Fund Deposit bank account reconciliation for February 2024 had reconciling items dated back to March 2023 that were not included on the previous months' bank reconciliations. The reconciling items consisted of 19 uncleared checks totaling \$95,508, dated March 2023, and 2 uncleared deposits totaling \$39,201, dated March 2023 and November 2023.
- The reconciliation balances for the DEP State Revolving Funds and Utility Fund Deposit bank accounts for September 2023 did not reconcile to the Town accounting records balances at September 30, 2023. The DEP State Revolving Funds and the Utility Fund Deposit reconciled bank account balances were \$2,604 and \$71,799, respectively, while the accounting record balances were \$2,963 and (\$52,377), respectively, resulting in unidentified differences of \$359 and \$124,176, respectively.

The Town's lack of written bank account reconciliation policies and procedures and the absence of effective oversight for the reconciliation process likely contributed to the untimely bank reconciliations, lack of independent review of the reconciliations, reconciliation errors, and lack of actions to resolve issues noted during the reconciliations. In response to our inquiry in October 2024, regarding why the Town had not performed the bank reconciliations, why the reconciliations conducted by the consultant had not been reviewed and approved, and why the reconciliations contained numerous errors, Town personnel indicated that they were relying on the consultant to fix all bank reconciliation issues and that, on September 23, 2024, the Town adopted a policy<sup>85</sup> requiring timely bank reconciliations and investigation and reporting of discrepancies to the Town Manager.

Absent timely and complete bank reconciliations, review and approval of the reconciliations, and timely accounting record corrections for identified errors, including duplicate or unrecorded transactions, there is an increased risk that fraud and errors may occur and not be timely detected, and, as discussed in Finding 13, the Town has limited assurance that its accounting records are accurate and complete.

**Recommendation: The Town should enhance its policies to establish a deadline for completing bank account reconciliations, for example, no later than 30 days after month-end, and for promptly resolving all reconciling items, including the posting of necessary adjustments to the accounting records.**

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<sup>84</sup> American Rescue Plan Act funds received prior to October 2021 by the Town of Greenville were disbursed to Town utility customers, in the amount of \$100 to each customer.

<sup>85</sup> *Town of Greenville Financial Controls and Authorization Policy.*

## Finding 15: Separation of Duties

Governmental organizations, to the extent possible with existing personnel, should separate duties so that no one employee has control over all phases of a transaction. For example, no one employee should have access to physical assets and recordkeeping responsibilities for those assets.

Our review of Town records and discussions with Town personnel disclosed that duties were not always appropriately separated among employees. Specifically, the Town's Office Manager and Staff Assistant, who were two of the Town's three administrative employees,<sup>86</sup> were responsible for preparing and sending invoices for water, sewer, and garbage services; collecting cash and checks as payment for services; recording payments to customer accounts; preparing related bank deposits and depositing funds into the applicable bank accounts; and recording deposits in the accounting records. The same two employees could also adjust fees in the utility billing system.

In response to our inquiries in October 2024, Town personnel stated that they were not aware of any compensating controls, such as supervisory review and approval of fee adjustments, during the audit period. Town personnel also indicated that a policy<sup>87</sup> was adopted on September 23, 2024, to provide for appropriate checks and balances. Although our audit procedures did not disclose any fraud, absent an appropriate separation of duties, there is an increased risk that errors or fraud could occur and not be timely detected and resolved.

**Recommendation:** The Town should continue its efforts to implement procedures that separate cash collection and recordkeeping duties to the extent possible among available administrative personnel. If there are not enough employees to adequately separate these duties, appropriate compensating controls, such as supervisory review and approval of fee adjustments, should be implemented.

## UTILITY BILLING AND GRANT COMPLIANCE

## Finding 16: Utility Billing Rates

State law<sup>88</sup> provides that, before a local government water or sewer utility increases any rate, charge, or fee for water or sewer utility service, the utility shall provide notice of the proposed increase to each customer of the utility through the utility's billing process. The notice must include the date, time, and place of the Town Council meeting where the increase will be considered. State law<sup>89</sup> additionally requires that utility rates, fees, and charges may not be increased until after a public hearing at which all users and interested parties have an opportunity to be heard concerning the proposed rates, fees, and charges.

Our review disclosed that, during the audit period, the Town increased utility rates to customers, both inside and outside Town limits, without the statutorily required notice or hearing. From the 2021-22 fiscal

<sup>86</sup> The third administrative employee was the Town Manager, employed through November 20, 2023, then the Interim Town Manager employed on November 21, 2023.

<sup>87</sup> *Town of Greenville Financial Controls and Authorization Policy*, Resolution No. 2024-18, adopted September 23, 2024.

<sup>88</sup> Section 180.136, Florida Statutes

<sup>89</sup> Sections 180.136 and 180.191(1)(b), Florida Statutes.

year to the 2022-23 fiscal year, rates were increased by 10 percent, and from the 2022-23 fiscal year to the 2023-24 fiscal year, rates were increased by 2 percent. Additionally, beginning January 2023, the Town increased the reconnection fee from \$25 to \$50. Our review of the minutes of Town Council meetings from April 2021 to February 2024 did not disclose any public hearings regarding utility rate or fee increases or any Town Council votes authorizing rate and fee increases.

Further, the rates used by the Town to bill utility customers were not established in accordance with Town ordinances.<sup>90</sup> Although we requested, Town personnel did not provide any legal authority for increasing utility rates without a noticed public hearing and Town Council-adopted ordinances. According to Town personnel, utility service rates were increased annually at the beginning of each fiscal year without official Town Council action.

Table 3 shows the authorized rates for the 2019-20 through 2023-24 fiscal years and the rates billed for the 2022-23 and 2023-24 fiscal years.

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<sup>90</sup> Town of Greenville Ordinance No. 2020-256. The ordinance repealed all previous utility rate ordinances.

**Table 3  
Utility Billing Rates Authorized and Billed**

Utility Rate Types	Rates Authorized by Town Ordinance <sup>a</sup>	2022-23 Fiscal Year Rates Billed	2023-24 Fiscal Year Rates Billed
<b>Residential Rates:</b>			
Water (first 2,000 gallons)	\$ 9.70	\$ 27.38	\$ 27.93
Sewer (first 2,000 gallons)	22.00	27.38	27.93
Garbage	7.00	30.58	31.19
Out-of-Town Surcharge – Water (first 2,000 gallons)	4.85	13.69	13.97
Out-of-Town Surcharge – Sewer (first 2,000 gallons)	11.00	13.69	13.97
<b>Commercial Rates:</b>			
Water (first 2,000 gallons)	14.40	36.85	37.59
Sewer (first 2,000 gallons)	29.60	36.85	37.59
Garbage (Water only)	12.50	43.74	44.42
Out-of-Town Surcharge – Water (first 2,000 gallons)	7.20	18.43	18.80
Out-of-Town Surcharge – Sewer (first 2,000 gallons)	14.80	18.43	18.80
Garbage (Water and Sewer)	12.50	43.74	44.62
Garbage X <sup>b</sup> (Water and Sewer)	14.50 to 47.00	180.80	184.42
<b>Additional Residential and Commercial Rates:</b>			
Water – rate per 1,000 gallons over first 2,000 gallons	1.00	2.50	2.50
Sewer – rate per 1,000 gallons over first 2,000 gallons	2.50	2.50	2.50
<b>Other Fees:</b>			
Out-of-Town Surcharge – Water rate per 1,000 gallons over first 2,000 gallons	0.50	1.25	1.25
Out-of-Town Surcharge – Sewer rate per 1,000 gallons over first 2,000 gallons	1.25	1.25	1.25
Reconnection Fee	25.00	50.00	50.00

<sup>a</sup> Town Council Ordinance No. 2020-256, effective May 11, 2020.

<sup>b</sup> Utility Billing System code Garbage X refers to large or unique commercial customers such as businesses needing more than one compactor truck load, petroleum stations, a school, and a nursing home.

Source: Town records.

State law<sup>91</sup> also provides that the Town may assess water and sewer utility customers outside the Town boundaries a surcharge of up to 25 percent in excess of the rates, fees, and charges of customers within the Town for similar service. Our examination of Town records disclosed, however, that Town ordinances<sup>92</sup> provide that rates and charges for customers outside the Town limits shall be 50 percent higher based on the same rates, fees, and charges for customers within the Town limits for corresponding service.

<sup>91</sup> Section 180.191, Florida Statutes.

<sup>92</sup> Section 26-4(a)(1), Town of Greenville Code of Ordinances, most recently updated by Ordinance No. 2021-265 effective May 10, 2021.

Absent properly noticed public hearings about proposed rate increases and documented Town Council approval of the increased rates, the utility rate increases were not in compliance with State law and Town ordinances. Additionally, ordinances that authorize surcharges that exceed statutory limitations to the rates, fees, and charges levied on services provided to certain customers violate State law.

**Recommendation:** For all future proposed utility rate changes, the Town should comply with State law by giving appropriate notice and holding public meetings. In addition, the Town Council should lawfully adopt an ordinance consistent with State law detailing the rates at which water usage, sewer service, and garbage service will be billed to all customers and Town management should ensure that customers are assessed the appropriate fees and charges.

### Finding 17: Utility Services Billings

The Town provides water, sewer, and sanitation services to residential and commercial customers connected to the Town's water and utility systems. As noted in Finding 16, utility service rates, fees, and charges are established in Town ordinances.<sup>93</sup> Town ordinances also establish utility services billings payment requirements and late fees for delinquent accounts. For example:

- Utilities must be paid by no later than 4:30 p.m. on the 15th day of the month.<sup>94</sup> If not paid by the 15th day of the month, a penalty of 10 percent of the total bill applies.
- Utility bills that remain unpaid by no later than 4:30 p.m. on the 19th day of the month,<sup>95</sup> will result in utility services being suspended on the next business day and service shall not be reconnected until all past due charges have been fully paid. For sewer service and water service, there shall be a reconnection fee in an amount determined by the Town after such discontinuation of service.<sup>96</sup>

During the period October 2022 through February 2024, the Town billed a total of \$641,188 to an average of 984 customer accounts per month for utility services and posted total net utility account adjustments of \$1,894 during that period. To determine whether the Town accurately billed utility service customers for the period October 2022 through February 2024, we selected and tested 30 utility customer billings totaling \$30,324, Town records for 30 utility customers with delinquent accounts, and 37 utility customer payments totaling \$16,846. Our testing disclosed instances in which utility customers were not billed in accordance with Town ordinances, services were not timely cut off for nonpayment, and payments were not correctly allocated in Town records by utility type (water, sewer, and garbage).

**Nonresident Surcharge.** Of the 30 utility customer billings tested, 3 were for out-of-Town commercial utility accounts and 2 were for out-of-Town residential accounts. Town ordinances<sup>97</sup> provide that rates and charges for customers outside the Town limits shall be 50 percent higher than the rates set forth for

<sup>93</sup> Section 26-4, Town of Greenville Code of Ordinances, most recently updated by Ordinance No. 2021-265, effective May 10, 2021.

<sup>94</sup> The Town typically cuts off the billing period between the 20th and 26th day of each month. Bills are mailed to customers before the end of the billing month and are due by the 15th day of the following month. If the 15th day of the month falls on a weekend or holiday, the payment is due no later than 4:30 p.m. on the first business day following the 15th day of the month.

<sup>95</sup> If the 19th day of the month falls on a weekend or holiday, the payment must be made no later than 4:30 p.m. on the first business day following the 19th day of the month to avoid suspension of services.

<sup>96</sup> Section 26-4(c)(2), Town of Greenville Code of Ordinances, most recently updated by Ordinance No. 2021-265, effective May 10, 2021.

<sup>97</sup> Section 26-4(a)(1), Town of Greenville Code of Ordinances, most recently updated by Ordinance No. 2021-265 effective May 10, 2021.

customers inside the Town limits. Our testing disclosed, that the 3 out-of-Town commercial utility accounts were assessed at the in-Town customer rates. In response to our inquiries, Town personnel indicated that the utility billing system does not automatically assess higher rates for out-of-Town commercial accounts but did not explain why the 3 out-of-Town commercial customers were not charged at the higher rates.

**Tapping Fee.** Although the Town Council-approved water tapping fee was \$2,500, a customer moving to a new location and connecting to the main water line was charged a lesser fee of \$1,250. According to Town personnel, because the pipe connecting to the property was only providing water services and not sewer services, the customer was assessed half the normal fee amount. Notwithstanding, the Town ordinance did not provide for a different water tapping fee when sewer services are not required.

**Late Fees.** Our examination of Town records for 30 selected utility customers with delinquent accounts disclosed that late fees were not consistently applied for 5 customers. Specifically, late fees were not assessed for 3 customers (including 1 customer employed as the Town Public Works Director) who cumulatively paid 5 monthly bills 2 to 6 days late, and late fees totaling \$74 were charged but then reversed for 3 customers (including the Public Works Director) who cumulatively paid 10 monthly bills 1 to 174 days late. Although we requested, Town personnel could not provide documentation or explanations as to why late fees were not assessed or were assessed but later reversed. Inconsistent assessment of late fees reduces the Town's utility revenues and undermines Town efforts to encourage timely payments. Because the Town does not have policies and procedures requiring documentation for, or review and approval of, decisions to waive late fees or make utility account adjustments, the Town has limited assurance that late fees are appropriately assessed, and there is an increased risk that improper account adjustments could be made without being promptly detected and resolved.

**Delayed Water Service Cut-off.** Our examination of Town records for the 30 utility customers with delinquent accounts, disclosed that water services were not always timely cut-off due to nonpayment. Specifically, for 4 customers (including a customer with late fees reversed) who did not pay by the cut-off date, water was not cut-off until 1 to 3 months later. Although we inquired, Town personnel did not know why water service cut-offs were delayed. In these circumstances, the Town is providing utility services without compensation.

**Utility Customer Payments and Related Revenues.** We tested 37 utility customer payments totaling \$16,846 related to the 30 selected utility customer billings, to determine whether the payments were correctly allocated in Town records by utility type. We found that 5 payments totaling \$1,548 were allocated solely to water revenue, despite additional services being billed. Specifically, 2 payments by a customer receiving both water and garbage services were applied only to water revenue, and 3 payments made by customers who each received water, sewer, and garbage services, were also exclusively applied to water revenue. In each instance, the utility customer accounts had a zero or credit balance at the time of payment, and according to Town personnel, the utility billing system automatically allocates payments made on accounts with a zero or credit balance solely to water revenue only. In response to our inquiries, Town personnel indicated that there were no procedures for allocating credit balances to individual utility services; rather, Town personnel rely on the financial statement auditors to correct the accounting records. Although this deficiency does not affect utility revenues in total, the absence of a

reasonable methodology for allocating utility collections for accounts with zero or credit balances may compromise the accuracy of any analysis of individual utility services costs and related fees.

**Recommendation: The Town should establish policies and procedures to:**

- **Ensure that the tapping fees are assessed in accordance with Town ordinances.**
- **Consistently assess late fees and, for all fee adjustments, maintain documentation in Town records supporting the adjustment as well as review and approval by someone other than the employee making the adjustment.**
- **Timely cut off utility services for customers who do not pay by the cut-off date.**
- **Ensure utility payments are accurately allocated as revenue to the applicable utility types.**

**Finding 18: Grocery Store Project Grant Compliance**

Pursuant to State law,<sup>98</sup> municipalities are required to implement adequate controls to provide reasonable assurance of compliance with the provisions of laws, regulations, and other rules pertaining to State awards of financial assistance. As of May 2025, the Town had not adopted formal grant administration policies to ensure compliance with grant terms and conditions. However, according to Town personnel, the Town was in the process of developing such policies; however, such policies have not been adopted as of July 2025.

In October 2017, Town personnel started discussions with grantor agencies about building a grocery store to provide necessary services and jobs to the area. As shown in Table 4, the Town obtained three grants from the Florida Department of Economic Opportunity, now the Florida Department of Commerce (FCOM)<sup>99</sup> and one grant from the United States Department of Agriculture (USDA) that funded grocery store construction.

**Table 4  
FCOM and USDA Grants Awarded to the Town for Grocery Store Construction**

Date Awarded	Grant No.	Grantor	Grant Period	Grant Amount
May 2019	G0063	FCOM	May 20, 2019 – December 31, 2035	\$ 649,988 <sup>a</sup>
March 2020	20DB-OO-03-50-02-E06	FCOM	March 1, 2020 – August 31, 2024	647,481
July 2020	973273151	USDA	December 1, 2020 – December 1, 2035	199,000
November 2020	D0143	FCOM	November 23, 2020 – November 22, 2022	566,472
<b>Total</b>				<b><u>\$2,062,941</u></b>

<sup>a</sup> The total grant award was \$1,705,000; however, only \$649,988 was for the construction of a grocery store.

Source: Town Records.

All four grants contained detailed a project description and deliverables. In addition, to provide for grantee accountability, the grants included, among other things, requirements for the Town to:

<sup>98</sup> Section 215.97(10)(c), Florida Statutes.

<sup>99</sup> The Florida Department of Economic Opportunity was renamed the Florida Department of Commerce pursuant to Chapter 2023-173, Laws of Florida, effective July 1, 2023.

- Maintain records which sufficiently and properly reflect all expenditures of grant funds, including:<sup>100</sup>
  - Invoices that clearly reflect the goods and services provided in accordance with the grants for the invoice period<sup>101</sup> and that include the date, period in which the work was performed, amount of reimbursement, and work completed to date.<sup>102</sup>
  - Design professional certifications certifying that the project, or a quantifiable portion of the project is complete.<sup>103</sup>
  - Before and after photographs of the completed work.<sup>104</sup>
- List in the Town's property records all nonexpendable property with a cost or value of \$1,000 or more and a useful life of 1 year or more and to annually inventory the nonexpendable property.<sup>105</sup>
- Maintain grant-required documentation and provide periodic progress reports to the grantors.<sup>106</sup>
- Provide annual audit compliance certifications within 60 days from the end of the Town's fiscal year.<sup>107</sup>
- Semi-annually file a contract and subcontract activity form (HUD 2516).<sup>108</sup>

Grant No. 973273151, which expires on December 1, 2035, is a reimbursement grant for which the Town had not incurred any expenditures as of April 2025; consequently, the entire \$199,000 of grant funding was unexpended as of that date. According to Town personnel, because the grant funding is insufficient to complete the project, the Town is seeking additional funding to complete the grocery store.

Table 5 shows the grant deliverables, whether the deliverables have been completed, and the amounts expended for each deliverable as of November 2024, for the three grants with expenditures.

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<sup>100</sup> Grant No. G0063, Section 5.a.; Grant No. 20DB-OO-03-50-02-E06 Attachment A; Grant No. 973273151, Section II.A.1.c.; and Grant No. D0143, Section F.3.

<sup>101</sup> Grant No. G0063, Section 5.a.; and Grant No. 20DB-OO-03-50-02-E06, Attachment A.

<sup>102</sup> Grant No. G0063, Section 5.a.; Grant No. 20DB-OO-03-50-02-E06, Attachment A; Grant No. 973273151, Section II.A.1.c.; and Grant No. D0143, Section F.3.

<sup>103</sup> Grant No. G0063, Exhibit A Scope of Work, Section 7; Grant No. 20 DB-OO-03-50-02-E06. Attachment A; and Grant No. D0143, Attachment 1 Scope of Work Section 6.2.3 specifically require a licensed professional to use American Institute of Architects (AIA) Forms G702 (Application for Payment) and G703 (Continuation Sheet), or their substantive equivalents. Forms G702 and G703 are standardized architectural industry forms that document work performed, the percentage of completion of such work, and the architect's certification that the work has been satisfactorily performed.

<sup>104</sup> Grant No. G0063, Exhibit A Scope of Work, Section 7.b.iv.; Grant No. 20DB-OO-03-50-02-E06, Attachment D, Section 28.; and Grant No. D0143, Attachment 1 Scope of Work Section 6.2.4.

<sup>105</sup> Grant No. G063, Section 15.; and Grant No. D0143, Section P.

<sup>106</sup> Grant No. G0063, Exhibit A Scope of Work, Section 6.a. required monthly progress reports to be filed within 30 days following the end of the month. Grant No. 20DB-OO-03-50-02-E06, Attachment H, Section 1 required quarterly progress reports to be filed with the grantor within 15 days of the reporting period. Grant No. 973273151, Section II, 3.a. and 3.b.; and Grant No. D0143, Attachment 1 Scope of Work Sections 5.1 through 5.2 require quarterly progress reports be filed with the grantor within 30 days of the reporting period.

<sup>107</sup> Grant No. G0063, Agreement, Section 11.f.; and Grant No. 20DB-OO-03-50-02-E06, Section (6)(c); and Grant No. D0143, Section F.5.

<sup>108</sup> Grant No. 20DB-OO-03-50-02-E06, Attachment H, Section 2.

**Table 5  
Grocery Store Grant Deliverables and Expenditures**

Grant No./Scope of Work Description	Evidence of Completion	Amount Expended
<b>Grant No. G0063</b>		
Land Acquisition – Purchase of land and construction of a building for only grocery store in Town.	Yes	\$107,835
Water Distribution Systems Upgrade – Design, permits, approvals and construction standards.	No	Could Not Determine <sup>a</sup>
Upgrade water management systems with computerized water system management tool software.	No	37,891 <sup>a</sup>
Construction of Grocery Store Building - Interior finishes, walls, ceilings, floors, plumbing, electrical, HVAC, fire suppression, refrigeration systems.	No	542,153
<b>Total Grant No. G0063</b>		<b><u>\$687,879</u></b>
<b>Grant No. 20DB-OO-03-50-02-E06</b>		
Project Implementation – Implementation for construction of grocery store building.	No	\$ 30,720
Construction of Grocery Store Building – Construction of grocery store building.	No	616,761
<b>Total Grant No. 20DB-OO-03-50-02-E06</b>		<b><u>\$647,481</u></b>
<b>Grant No. D0143</b>		
Construction of Grocery Store Building Project inspection/construction observation via a project inspector with a project logbook of site visit reports.	No	Could Not Determine <sup>b</sup>
Site work, plumbing, pre-engineered steel building, electrical, HVAC, fire protection, and interior improvements.	No	534,044
<b>Total Grant No. D0143</b>		<b><u>\$534,044</u></b>

<sup>a</sup> The amount expended for water distribution system upgrades could not be determined as the invoice for \$37,891 was not in sufficient detail. The entire invoice amount is listed with the “Upgrade water management systems” scope of work.

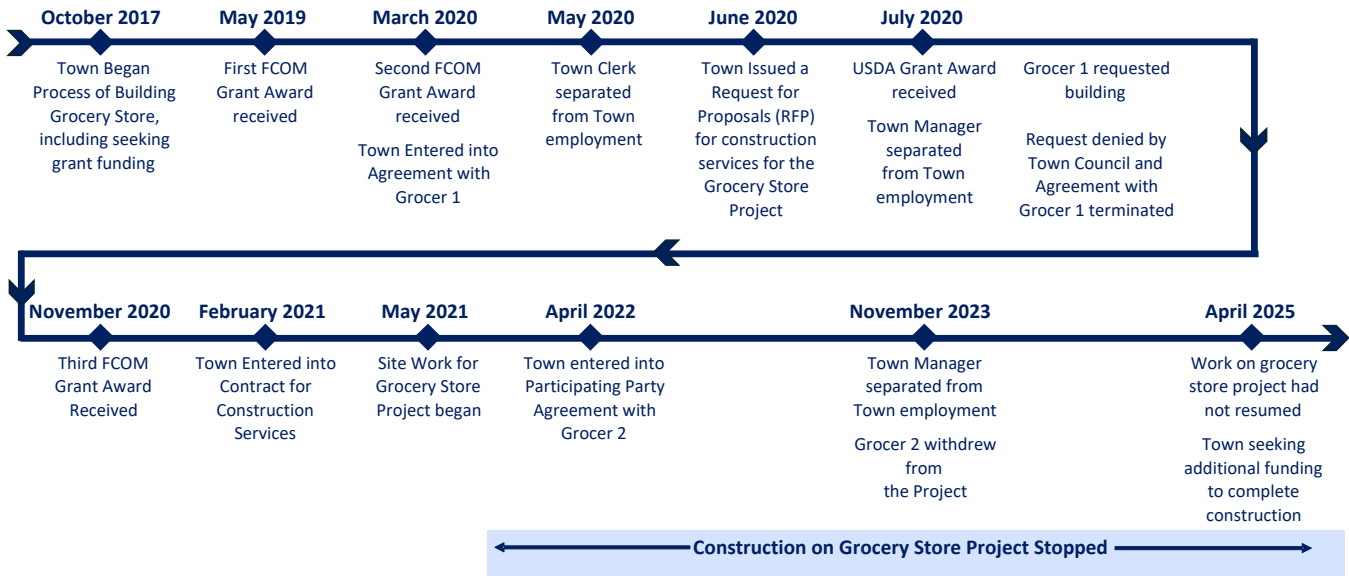
<sup>b</sup> Although the Town had invoices supporting the \$534,044 related to the grocery store project, the invoice is not in sufficient detail to determine the amount spent on project inspection and observation.

Source: Town records.

We examined Town accounting records for the three grants with expenditures to determine whether the Town properly expended the grant funds for the purposes delineated in the grants and maintained records sufficient to properly reflect expenditures of grant funds, including invoices with the FCOM-required information, design professional certifications of work performed, photographs of completed work, and whether the Town filed reports with the grantors. Our examination disclosed that the Town did not complete all grant deliverables, did not provide periodic reports to the grantors, did not maintain all grant-required documentation, and did not properly account for nonexpendable property.

**Incomplete Deliverables.** As shown in Chart 1, the first grant for construction of a grocery store was awarded to the Town in May 2019 and, as of April 2025, the construction was still not complete.

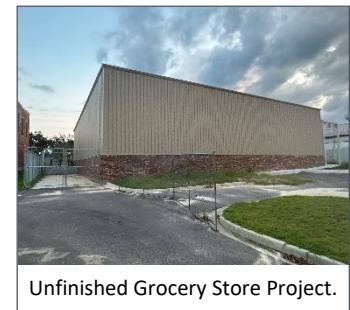
**Chart 1  
Grocery Store Project Timeline**



Source: Auditor-prepared timeline based on inquiries of Town personnel and Town records.

During the COVID-19 pandemic, the Town encountered construction obstacles, such as supply chain issues and increased construction costs. However, the date construction work stopped and the actual events that led to the work stoppage could not be fully explained by Town personnel because the former Town Manager and subsequent Interim Town Manager did not regularly inform the Town Council regarding the status of the grocery store project, including the construction status, grant receipts and expenditures, and correspondence with the grocers.

According to Town personnel, the Town was seeking additional funding to complete construction of the store; however, as of April 2025, construction work had not resumed, and the Town had not entered into a new agreement with a third grocer or taken any legal actions of record regarding the second grocer’s withdrawal from the Participating Party Agreement. As such, the Town has not completed the grant deliverables regarding construction and operation of the grocery store and, as of April 2025, had no plans of record to do so.



Further, our examination of Town records disclosed that the Town did not always fully expend grant moneys during the grant award periods. Specifically, Grant No. D0143 had an expiration date of November 22, 2022, and although the Town spent \$534,044 of the \$566,472 awarded, \$32,428 remained unexpended as of July 2025. In response to our inquiries, Town personnel indicated that the remaining grant funding was insufficient to complete the project due to rising construction costs, and Town personnel would not expend the remaining grant funding without assurance from FCOM that the grant was still active, and that the Town would be reimbursed for future construction costs. However, Town personnel have not, of record, sought clarification from FCOM. Although we requested clarification from

FCOM in January 2025, FCOM did not indicate whether the grant period had been extended or that the unexpended funds would be available for Town use should the grocery store project resume.

Due to the significant construction delays, potential expiration of Grant No. D0143 and unexpended grant moneys, the Town may have incurred unnecessary construction costs and may not be able to take advantage of available grant funding to complete the project.

**Progress Reports.** Although we requested from the Town and grantors, we were not provided records evidencing that grantor-required progress reports were timely prepared and filed. Specifically:

- Grant Nos. D0143 and 973273151 required quarterly progress reports be filed no later than 30 days following the reporting periods of September 30, December 31, March 31, and June 30. The reports were to describe the work performed, problems encountered, problem resolution, schedule updates and proposed work for the next reporting period. The Town did not expend any grant moneys for Grant No. 973273151 and, therefore, did not file any reports related to that grant. The Town filed some quarterly progress reports with FCOM related to Grant No. D0143; however, as shown in Table 6, Town records did not demonstrate that two quarterly reports were filed.

**Table 6**  
**FCOM Grant No. D0143 Unfiled Quarterly Progress Reports**

Report Period	Due Date
October 1, 2020 – December 31, 2020	January 30, 2021
April 1, 2021 – June 30, 2021	July 30, 2021

Source: Town records.

- Grant No. 20-DB-OO-03-50-02-E06 required quarterly progress reports be filed no later than 15 days following the reporting periods of September 30, December 31, March 31, and June 30. The reports were to describe the work performed, include photographs taken to date, the percent of work completed for each task, a summary of expenditures since the effective date, and a summary of any issues or events occurring which affect the ability of the Town to meet the requirements of the grant. Regarding the quarterly progress reports, we noted that:
  - The 15 reports due for the quarters ending September 30, 2020, through March 31, 2024, did not indicate the date the reports were submitted to FCOM; therefore, Town records did not evidence that the reports were timely filed.
  - The reports provided by the Town for the quarter ending June 30, 2021, and for the 10 quarters ending December 31, 2021, through March 31, 2024, did not include photographs of the progress for the quarterly progress report.
  - The report for the quarter ending June 30, 2024, that was due on July 15, 2024, was not available for our review.

**Other Documentation.** In addition to the progress report filing noncompliance, our examination of Town records disclosed that the Town did not always comply with other grant documentation requirements. Specifically:

- For Grant No. D0143, although required, the Town did not maintain a project logbook of site visit reports from a project inspector<sup>109</sup> that includes information required by the grant including the

<sup>109</sup> The project architect must assign a project inspector to make periodic visits to the site to observe construction activities to ensure compliance with the plans and specifications. Town records do not indicate whether the architect assigned a project inspector.

name and contact information for all contractors, permit numbers, time of visit, weather conditions observed, description of construction activities on site, review of construction activities, general remarks regarding complaints filed by contractors and citizens, information of the erosion and sediment control activities, digital photo log of construction activities, and other inspection duties as directed by the project architect.

- For Grant No. G0063, as a condition of reimbursement, the Town was required to provide to FCOM invoices with adequate support, including progress photographs, evidencing completed work. Our examination of the invoices provided to FCOM disclosed that the invoices did not include the date and period of work nor the date the upgrade work was completed. In addition, for two construction reimbursement requests, the Town did not include progress photographs with the submitted invoices.
- For Grant No. 20-DB-OO-03-50-02-E06, a written evaluation for each proposal was required to be maintained and provided to FCOM. Although we requested, neither the Town nor FCOM provided a written evaluation of the construction contractor bid. However, Town records did evidence that the contract was awarded to the lowest bidder.

Absent such documentation, Town records do not demonstrate compliance with grants requirements.

**Nonexpendable Property Accountability.** Grant Nos. D0143 and G0063 provided for, and the grocery store project involved, construction of nonexpendable buildings, improvements, and infrastructure and the purchase of various furniture and fixtures with a cost or value of \$1,000 or more and a useful life of 1 year or more. However, as of April 2025, Town records did not include any grant-funded nonexpendable property. Also, as discussed in Finding 27 the Town did not annually conduct physical inventories of the grant-funded nonexpendable property. Therefore, Town records did not evidence proper accountability for the property. Although we requested, the Town did not explain why Town property records excluded the grant-funded nonexpendable property.



The lack of established grant administration policies and procedures may have contributed to the Town's deficient administration of the grants.

**Recommendation: The Town should establish policies and procedures to ensure that:**

- **Grant deliverables are timely completed in accordance with grant terms.**
- **Grant moneys are fully expended during the grant award period.**
- **Required grant reports are prepared, timely submitted to grantors, and retained in Town records and grant-required documentation is maintained.**

**Further, the Town should continue efforts to seek additional grant moneys to complete the grocery store and to find another grocer to operate the grocery store. Town agreements with grocers should be in writing and include legal remedies in the event of a grocer's nonperformance.**

**Finding 19: Employee Position Descriptions**

Effective personnel administration necessitates the implementation of controls to specify duties and requirements for the Town's positions. Such controls include established position descriptions that specify the position duties and responsibilities to provide clear information to the public. Well-designed position descriptions clarify position duties and responsibilities, establish expectations, provide benchmarks for evaluations and advancement, specify the minimum education and experience requirements, guide hiring decisions to help match the right people with the right roles, and clearly identify the operating job title for the position. Specifying necessary education and work experience requirements in position descriptions provides a transparent means of determining whether an applicant's qualifications meet or exceed management's expectations.

Our examination of Town records disclosed that position descriptions for the Charter Officers<sup>110</sup> are included in the Town Charter.<sup>111</sup> However, the Town had not adopted position descriptions for the Deputy Town Clerk, Deputy Town Manager, Director of Finance and Administration, Public Works Director, Public Works Assistant Supervisor, and Public Works Crew.

According to the Town Clerk, the Town had previously established position descriptions; however, Town personnel were unable to locate any such descriptions. In addition, Town personnel indicated that the Town Council had not expressed interest in developing position descriptions for the positions of Public Works Director, Public Works Assistant Supervisor, and Public Works Crew.

Detailed position descriptions help ensure that employees have the necessary skills and education to complete the job duties required for their positions, and that Town Council and management objectives will be met. In March 2025, the Town Council discussed preparing thorough job descriptions for all Town positions, however, no further action had been taken at the time our audit fieldwork concluded.

**Recommendation: The Town should establish detailed position descriptions for all Town positions.**

**Finding 20: Employee and Independent Contractor Classifications**

Internal Revenue Service (IRS) regulations require employers to determine whether a worker is an employee or independent contractor. This distinction is important because employees and independent contractors are treated differently for tax purposes. For example, compensation to independent contractors is not subject to income tax withholding or employment taxes.

To assist employers in making employee or independent contractor determinations, the IRS has established certain guidelines that contain a list of factors to consider. The factors are listed in three categories:

<sup>110</sup> Town Manager, Town Clerk, and Town Attorney.

<sup>111</sup> Section 4(b)(2)-(4), Town of Greenville Charter.

- Behavioral – Does the employer control or have the right to control what the worker does and how the worker does his or her job?
- Financial – Are the business aspects of the worker’s job (e.g., how the worker is paid, whether expenses are reimbursed, and who provides supplies) controlled by the payer?
- Type of relationship – Are there written contracts or employee benefits?

If, after reviewing the factors in these categories, it is still unclear whether a worker is an employee or independent contractor, an employer may file Form SS-8, *Determination of Worker Status for Purposes of Employment Taxes and Income Tax Withholding* (Form SS-8) with the IRS for the determination.

As of April 2025, the Town had not established policies and procedures for determining whether workers should be classified as employees or independent contractors. Our examination of Town records and discussions with Town personnel disclosed that, from October 2022 through February 2024, the Town provided 78 payments totaling \$28,040 to 6 individuals without adequate documentation evidencing a determination that they were independent contractors. Table 7 shows the amounts and descriptions of the payments in Town records.

**Table 7**  
**Independent Contractor Payments**  
For the Period October 2022 Through February 2024

Payment Period	Recipient	Number of Payments	Description of Payment	Amount
October 2022 – February 2024	Five Town Council Members	62	Town Council Pay	\$22,540
October 2022 – January 2024	Former Mayor’s sister	16	Senior and Youth Center Stipend	5,500
<b>Totals</b>		<u>78</u>		<u>\$28,040</u>

Source: Town Records.

Although we requested, Town personnel were unable to provide records evidencing the basis for classifying these individuals as independent contractors and it was unclear why such documentation was not available. Without sufficient information of record to evidence the determination and relevant factors and circumstances considered when classifying workers as employees or independent contractors, there is an increased risk that the Town may be subject to additional employment taxes and penalties for employees misclassified as independent contractors.

**Recommendation: The Town should establish policies and procedures for determining whether workers should be classified as employees or independent contractors and maintain documentation of such determinations.**

**Finding 21: Town Manager Residency, Compensation, Severance Pay, and Consulting Contract**

The Town Charter<sup>112</sup> establishes the position of Town Manager, who oversees all departments except the Town Clerk and Town Attorney offices. The Town Manager is to attend Town Council meetings, participate in discussions without voting rights, see that laws and Town Council decisions subject to Town Manager enforcement are faithfully executed, and prepare the annual budget and capital program for

<sup>112</sup> Section 4.(b)(2), Town of Greenville Charter.

major projects like infrastructure and facilities. Additionally, the Town Manager advises the Town Council on financial matters and make recommendations on Town affairs.

**Town Manager Residency.** The Town Manager is the chief executive officer of the Town and is responsible for the day-to-day management of the Town. Consequently, it is important that the Town manager be regularly accessible to the Town Council, Town employees, and members of the public.

In May 2020, the Town hired<sup>113</sup> a Town Manager who resided in Orange Park, approximately 130 miles from the Town limits. The Town Manager’s contracts did not specify the work hours or presence in the Town except for mandatory attendance at all Town Council meetings. According to the mileage logs submitted for reimbursement between October 2021 and October 2023, the Town Manager traveled to the Town 69 days out of 755 workdays.

According to the June 12, 2023, Town Council meeting minutes, a Town Council Member raised concerns about the Town Manager’s infrequent presence at Town Hall and suggested he be available in the Town more often and engage more actively with its citizens. The Town Manager’s frequent absence could potentially undermine the citizens’ confidence in the Town Manager’s performance and the Town Council’s oversight. In response to our inquiries, Town personnel indicated that they did not know why the Town Council did not consider requesting the Town Manager to move within the Town’s boundaries during his tenure.

**Town Manager Compensation.** Best business practices suggest that, to ensure the Town is paying the market rate for their personnel, compensation research should be conducted. As part of our audit, we acquired data from four Florida municipalities with similar populations<sup>114</sup> and a Town Manager or equivalent position and compared the average compensation for those positions. As presented in Table 8, the average compensation was \$72,521, and the highest compensation was \$99,225.

**Table 8  
Average Compensation for Equivalent Positions  
in Similar-Sized Municipalities**

Entity	Annual Compensation
Bronson	\$77,250
Crescent City	99,225
Cross City	70,000
Mayo	43,608
<b>Average Compensation</b>	<b><u>\$72,521</u></b>

Source: Auditor analysis of municipality records.

While the Town Manager’s contracted annual compensation of \$100,000 during the period October 2021 through November 2023 was slightly above the highest amount shown in Table 8, he also performed

<sup>113</sup> The Town originally hired an individual as a consultant in May 2020 to provide services similar to those of the Town Manager. Subsequently, in October 2021, the individual was hired as an employee. The individual then resigned the Town Manager position, with December 24, 2023, as his final day. Prior to his termination, in September 2023 the Town entered into an agreement with his consulting company to provide consulting services to the Town as a special projects’ consultant.

<sup>114</sup> Municipality populations between 600 and 1,999.

Interim Town Clerk duties. According to Town personnel,<sup>115</sup> in September 2022, the Town Council voted to increase the Town Manager's annual compensation to \$150,000, 50 percent higher than the highest compensation and approximately double the average compensation for equivalent positions in comparable municipalities. Although we requested, Town personnel were unable to provide records evidencing how the Town Council determined the amount of the salary increase and the reasonableness of the resulting annual salary. Without records evidencing research of comparable compensation and justification for the \$150,000 salary amount, the Town may have overpaid to retain the Town Manager's services.

**Incidental Expenditure Reimbursements.** The Town Manager's employment contract<sup>116</sup> allowed for monthly reimbursements not to exceed \$250 per month for incidental costs incurred on behalf of the Town, including mileage reimbursements for travel, without Town Council authorization. As part of the contract, the Town Manager received reimbursements totaling \$12,122 including \$11,503 for mileage reimbursements for travel from his residence to and from Town Hall and for conferences and \$619 for other miscellaneous expenses during the period of October 2021 through October 2023. However, as presented in Table 9, the Town Manager received 17 reimbursements that exceeded the \$250 monthly amount specified in the contract without evidence of Town Council authorization.

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<sup>115</sup> As indicated in Finding 5, the Town Council meeting minutes from the period August 2022 through November 2022 were not available for inspection. Consequently, Town records do not demonstrate that the Town Council approved the Town Manager's compensation increase.

<sup>116</sup> Section 5. B. of the contract with the Town Manager employed from May 2020 through November 2023.

**Table 9**  
**Town Manager<sup>a</sup> Reimbursements**  
**October 2021 Through October 2023**

Month <sup>b</sup>	Reimbursement Amount	Amount in Excess of \$250
10/2021	\$ 510	\$ 260
11/2021	998	748
12/2021	1,481	1,231
2/2022	339	89
3/2022	1,098	847
4/2022	12	-
5/2022	669	419
6/2022	815	565
7/2022	442	192
9/2022	295	45
10/2022	305	55
11/2022	273	23
12/2022	931	681
2/2023	1,298	1,048
4/2023	165	-
5/2023	1,002	752
6/2023	437	188
8/2023	330	80
10/2023	722	472
<b>Totals</b>	<b><u>\$12,122</u></b>	<b><u>\$7,695</u></b>

<sup>a</sup> The Town Manager separated from Town employment in November 2023.

<sup>b</sup> There were no reimbursements in January and August 2022; and January, March, July, and September 2023.

Source: Town Accounting Records.

In response to our inquiries, Town personnel indicated that it was unclear why the Town Manager received reimbursements in excess of the \$250 allowed by his contract without Town Council approval. Additionally, the Town Council had not taken formal action to seek reimbursement for the \$7,695 paid in excess of the amounts allowed by the contract.

**Consulting Contract Approval.** During the September 25, 2023, Town Council meeting, the Town Manager provided his notice of resignation and agreed to continue his employment as Town Manager until December 24, 2023. Immediately following the Town Manager’s resignation, the Town’s Mayor at the time, presented for discussion a contract for consulting services between the Town and a limited liability corporation (LLC) operated by the Town Manager. The contract was characterized as an agreement for a Special Projects Consultant (Consultant), who would oversee the grocery store project and the water, sewer, and utility extension projects; maintain relationships with banks and community development financial institutions; and oversee Town finances, including monthly reconciliations. The proposed contract was for the period January 2024 through March 2024, and provided that the Consultant be compensated \$10,000 per month.

Good business practices require contracts to include clear, concise deliverables to be provided by the contractor. Further, the Town's procurement policy<sup>117</sup> requires formal competitive selection for expenditures of \$5,001 or more, including bids or requests for proposals (RFP) for services. However, the Town may use non-competitive procurement when the procurement or award of a contract is infeasible under simple or intermediate procurement and in certain circumstances, for example, when an item is available only from a single source or an emergency exists.

Our examination of Town records and the Town Council meeting minutes between September 2023 and December 2023 did not find that any of the Town procurement policy exceptions were cited as a reason to forgo competitive selection for the Consultant services. Absent a competitive selection process, the Town lacks assurance that the contracted services were procured at the lowest cost commensurate with acceptable quality.

At the September 25, 2023, meeting, the Town Council approved the contract between the Town and the LLC. The contract was written such that the Consultant would be accountable only to the Town Manager, and the Town Manager was authorized to establish the deliverables and to ensure that the Consultant's work was adequately performed. However, as the absence of clearly defined deliverables may lead to misunderstandings, disputes, or incomplete or unsatisfactory work, the consulting agreement may not have been in the best interests of the Town.

**Termination of Consulting Contract.** When addressing the use of an agenda for board meetings, the *Sunshine Manual* refers to a Florida Attorney General Opinion (AGO)<sup>118</sup> which indicates that, although boards are not required to consider only those matters on a published agenda during a noticed meeting, it is strongly recommended that boards postpone formal action on controversial matters where the public has not been given notice that such an issue will be discussed. The AGO further indicates that "the purpose of the notice requirement in the Sunshine Law is to apprise the public of the pendency of matters that might affect their rights, afford them the opportunity to appear and present their views, and afford them a reasonable time to make an appearance if they wished."

During the November 20, 2023, meeting, the Town Council approved a motion to add to the agenda a discussion and potential action item to terminate the Consultant's contract due to alleged misrepresentations made by the individual in his role of Town Manager regarding the Town's September 29, 2023, budget meeting minutes, mishandling of the 2022 Town election, and untimely cooperation with the Town's financial statement auditors. During the meeting, the Town Council voted to terminate the Town Manager with cause during his resignation notice period. While a motion to terminate the contract was also made, it was withdrawn so the Town Council would have time to review the legality of the contract. In response to our inquiries, Town personnel indicated that the decision to terminate the Town Manager without public notice was due to strong feelings by Town Council members that immediate action was necessary. Notwithstanding, the Town Council's decision to terminate the former Town Manager without prior public notice was inconsistent with the AGO guidance and limited the opportunity for public input.

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<sup>117</sup> *Town of Greenville Procurement Policy* Section IV. (A.).

<sup>118</sup> Attorney General Opinion No. 2003-53.

**Severance Pay.** State law<sup>119</sup> requires employment agreements entered into by a government that include a provision for severance pay limit such pay to an amount no greater than 20 weeks of compensation and also include a prohibition of severance pay when the employee has been terminated with cause. However, the Town Manager’s employment agreement included a provision for severance pay of 52 weeks of compensation if he was fired without cause. In response to our inquiries, Town personnel indicated that the provision for severance pay of 52 weeks of compensation was a drafting error and agreed that it should have been limited to the 20 weeks allowed by State law.

On December 11, 2023, the terminated Town Manager e-mailed the Town Council and Town Attorney and demanded his “full severance pay of \$150,000”<sup>120</sup> within 10 days, alleging that the Town did not have documentation to support the firing with cause during his resignation notice period. Notwithstanding this demand, State law limits severance payments to 20 weeks of annual salary which would be \$38,462 using his contracted salary.

Although the Town paid the Town Manager \$6,346 in January 2024 for his unused leave, as of March 2025, the Town had not paid any severance pursuant to the Town Manager’s employment agreement. In August 2024, the Consultant filed suit against the Town, claiming discrimination leading to a wrongful termination and alleging breach of contract regarding severance pay as he believed the Town inappropriately claimed they fired him with cause. Mediation for the case occurred in April 2025 and resulted in an impasse. A trial date has been scheduled in August 2025. Consequently, the Town has the potential to incur additional legal fees to respond to and address this lawsuit.

Contracts that contain terms incongruent with State law and that are not amended to contain the most up-to-date terms and conditions may lead to confusion between the contract parties, avoidable legal fees, and the payment of severance pay in excess of amounts allowed pursuant to State law.

**Recommendation:** To promote transparency, enhance Town operations, encourage community involvement, and ensure that employment contracts comply with State law and are legally sound, the Town should:

- **Establish in-person attendance and minimum work hour requirements for Town positions, including the Town Manager position.**
- **Conduct research prior to establishing and subsequently amending compensation.**
- **Maintain records to justify changes in employee compensation.**
- **Provide timely public notice for all proposed Town Council actions, including those that may be deemed controversial.**
- **Follow Town’s competitive purchasing procedures for purchased services costing \$5,001 or more.**
- **Ensure future consulting contracts include clearly defined deliverables.**
- **Only provide reimbursements to Town personnel within established limits.**
- **For future employment contracts, limit severance pay to the amount allowed in State law.**

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<sup>119</sup> Section 215.425(4)(a), Florida Statutes.

<sup>120</sup> As discussed above, in September 2022, the Town Council increased Town Manger’s compensation from \$100,000 to \$150,000; however, the contract amount was not revised.

- **Consult with the Town Attorney regarding appropriate actions to recover the \$7,695 paid in excess of allowable reimbursements.**

## PROCUREMENT AND EXPENDITURES

### Finding 22: Untimely Payments

In accordance with the Local Government Prompt Payment Act (Act),<sup>121</sup> the Town must pay invoices within a specified number of days after the invoice is received. Specifically:

- Construction service payment requests or invoices requiring an agent's approval must be paid within 25 business days of the date the payment request or invoice is received by the agent.<sup>122</sup>
- Construction service payment requests or invoices not requiring an agent's approval must be paid within 20 business days of the date the invoice is received by the Town.<sup>123</sup>
- Invoices for the purchase of goods or services other than construction services must be paid within 45 days of the date the invoice is received.<sup>124</sup>

When payments are not timely made, the Act specifies that construction service payments are subject to interest at the rate of 1 percent per month or the rate specified by the contract, whichever is greater, and that payments for other than construction services are subject to interest at the rate of 1 percent per month of the unpaid balance.<sup>125</sup>

Our examination of Town records and discussions with Town personnel disclosed that the Town disbursement processing procedures were not adequate to ensure that vendors were promptly paid. Specifically:

- The Town lacked policies and procedures to document invoice receipt dates. While an e-mail date may serve as the invoice receipt date for vendor invoices are e-mailed to the Town, procedures, such as use of a date stamp, are needed for invoices received by other means. From the records supporting the Town's nonpayroll expenditures totaling \$2.7 million during the period October 2022 through February 2024, we selected for examination 30 invoices totaling \$1.2 million. We found that:
  - The invoice receipt date was not documented for 24 of the invoices. Without documented invoice receipt dates in Town records, the Town cannot demonstrate compliance with the Act.
  - The Town paid 15 invoices, totaling \$61,359, 64 to 293 days, an average of 133 days, late. In the absence of a receipt date, we used the invoice date to calculate the number of days late.
- The Town's Accounts Payable Aging Detail Report from April 2024 disclosed an additional 18 invoices totaling \$70,956 paid 45 days or more after the due date on the invoice.
- According to Town records, due to untimely payments to vendors, the Town incurred and paid late fees totaling \$690 to various vendors during the period October 2022 through February 2024 and also incurred late fees totaling \$3,193 for late P-card payments during the same period.

<sup>121</sup> Chapter 218, Part VII, Florida Statutes.

<sup>122</sup> Section 218.735(1)(a), Florida Statutes.

<sup>123</sup> Section 218.735(1)(b), Florida Statutes.

<sup>124</sup> Section 218.74(2), Florida Statutes.

<sup>125</sup> Sections 218.735(7) and 218.74(4), Florida Statutes.

In addition to the Town's lack of written procedures requiring documentation of the invoice receipt date, Town personnel indicated that employee turnover was a contributing factor to the prompt payment deficiencies and late fees. Subsequent to our inquiries, the Town adopted a policy<sup>126</sup> in September 2024 requiring the timely payment of invoices and P-card statements to avoid late charges and fees.

Without prompt payment of invoices and payment requests, the Town is in noncompliance with the Act and may incur late charges and fees. In addition, failure to timely pay vendors could result in work stoppages and potential litigation costs to settle unpaid obligations.

**Recommendation: The Town should establish procedures requiring documentation of invoice receipt dates to demonstrate compliance with State law, ensure that invoices are promptly paid in accordance with State law, and timely pay P-card statements to avoid late charges and fees.**

### **Finding 23: Procurement of Goods and Services**

The Town is responsible for establishing controls that provide assurance that the process of acquiring goods and services is effectively and consistently administered. A competitive procurement process provides a means for efficiently and equitably obtaining the best quality goods and services at the lowest possible cost and reduces the appearance and opportunity for favoritism. In addition, the use of procurement documents, such as contracts and purchase orders, document management's authorization to acquire goods and services, detail the specifications and prices of the goods and services being acquired, provide a basis for controlling the use of appropriated resources through encumbrances, and authorize vendors to provide goods and services. Effective procurement controls include procedures to evidence that satisfactory receipt of goods or services is documented before payments are made.

The Town's procurement policy<sup>127</sup> requires expenditures of \$5,001 or more to be competitively procured using sealed bids, sealed proposals, or competitive negotiation. However, the Town may use noncompetitive procurement when procurement or award of a contract is infeasible under simple or intermediate procurement and under one of the following circumstances:

- The item is available only for a single source.
- A public exigency or emergency exists, such that the urgency for the requirement will not permit delay incident to competitive bidding.
- In the case where Federal or State grant funds are being used, the applicable grantor agency authorizes noncompetitive negotiations or single source procurement.
- After solicitation of a number of sources, competition is determined inadequate.
- The contract item is available under a State contract.
- The contract item is available by "piggy backing" from another governmental source, subject to approval of the vendor and other governmental source.

In addition, Town policy requires purchase orders be submitted to appropriate levels of authority for approval of purchases of goods and services.

<sup>126</sup> *Town of Greenville Financial Controls and Authorization Policy*, Resolution No. 2024-18, adopted September 23, 2024.

<sup>127</sup> *Town of Greenville Procurement Policy*, September 2015.

During the period October 2022 through February 2024, the Town incurred 1,655 nonpayroll expenditures totaling \$2.7 million. Our examination of Town records disclosed that the amounts of 51 of those expenditures were individually \$5,001 or more and totaled \$1.9 million. Although the 51 expenditures exceeded the \$5,001 threshold requiring competitive selection, Town records did not evidence that the goods and services were competitively procured, or alternately, document that the purchase was exempt from competitive procurement pursuant to Town policy. For example, Town records did not evidence competitive selection procedures for 6 expenditures for municipal insurance premiums totaling \$96,722 and 8 construction projects totaling \$203,062.

In addition, from the 1,655 expenditures, we selected and tested 30 other expenditures ranging from \$69 to \$1,014,956 and totaling \$1.2 million and noted that:

- The Town did not issue purchase orders or contracts for any of the 30 expenditures. The absence of properly approved purchase orders increases the Town's risk of making purchases that are unauthorized, exceed budget authority, or are inconsistent with the Town Council's intent. In addition, the lack of a written purchase order or contract clearly establishing the rights and responsibilities of both parties in advance of the provision of the goods and services may result in misunderstandings between the Town and its vendors.
- The Town did not have written procedures requiring evidence of the satisfactory receipt of the goods or services prior to payment. None of the records supporting the 30 expenditures contained evidence, such as a signature or receipt date, indicating that the goods or services were received by a Town employee having direct knowledge of the receipt of the goods or services. Absent evidence that goods and services were received prior to payment, there is an increased risk that the Town will pay for goods and services that were either not delivered or failed to meet the desired specifications and quality.

In response to our inquiries, Town personnel indicated they were uncertain why these instances occurred. On September 9, 2024, the Town Council adopted an updated procurement policy<sup>128</sup> requiring purchases be approved by the appropriate level of authority established by Town procedures, all procurement transactions be documented, and a purchase order or purchase requisition be used for all purchases. However, the updated policy did not require satisfactory receipt of goods and services to be documented.

**Recommendation: Town personnel should ensure that purchases of goods and services totaling \$5,001 or more are competitively procured in accordance with established Town policies or document in Town records why the procurement was exempt from competitive selection procedures. In addition, Town personnel should follow Town policy and consistently use contracts or purchase orders to document purchase authorizations. Further, the Town should amend its procurement policy to require that evidence of the satisfactory receipt of goods and services be documented prior to payment.**

#### **Finding 24: P-Card Purchases**

Town policies<sup>129</sup> provide for P-cards to be issued to certain employees when it is in the Town's best interest to facilitate small purchases. Town P-cards are limited to employees in positions that demonstrate the use of a P-card will assist in the performance of assigned responsibilities, and P-cards may only be used to purchase of goods or services related to official Town business. Because P-cards

<sup>128</sup> *Town of Greenville Procurement Policy*, Resolution 2024-12, adopted September 9, 2024.

<sup>129</sup> *Town of Greenville Personnel Policy Manual*.

are vulnerable to fraud and misuse, it is essential that Town policies and procedures establish controls to effectively safeguard, ensure accountability, and regulate P-card use. Town policies require that all procurements, including P-card purchases, include a clear audit trail and supervisory approval.

Additionally, the Florida Attorney General has opined on numerous occasions<sup>130</sup> that an expenditure must be documented in sufficient detail to establish the authorized public purpose served, and how the expenditure serves to further the identified public purpose, when the voucher is presented for payment of funds. The Attorney General has also opined that, unless such documentation is present, the request for payment should be denied.

From the population of 200 P-card charges totaling \$30,014 during the period October 2022 through February 2024, we examined Town records for 27 selected P-card charges totaling \$13,946. Our examination disclosed that 22 of the 27 P-card charges either did not comply with the Town P-card policies or State law or did not document a public purpose. Specifically, we noted:

- 12 transactions totaling \$2,938, that lacked adequate supporting documentation, including 7 travel expenditures without an associated travel voucher.<sup>131</sup> Travel expenditure deficiencies are further discussed in Finding 25.
- 7 charges totaling \$1,026 that did not evidence the public purpose of the transaction. The charges included a \$381 windshield repair charge for a vehicle not owned by the Town and 6 charges totaling \$645 for purchased food and associated tips. Although the receipts indicated the nature of the expenditures, there was no supporting documentation indicating how these transactions served a valid public purpose.
- 10 of the 27 P-card charges included sales tax totaling \$101, although State law<sup>132</sup> exempts local governments from paying sales taxes. In response to our inquiries, Town personnel were unaware as to why the Town paid sales tax on these transactions which were for lodging, rental cars, maintenance materials, food purchases, and a windshield repair.
- 1 charge of \$317 for outdoor decorative lights that were delivered to the Office Manager's residence. In response to our inquiries, Town personnel indicated the Office Manager was working remotely at the time. Notwithstanding, to help support that purchases were for valid public purposes, deliveries should only be made to official Town locations.
- 19 charges totaling \$6,286 were approved by the purchaser without any subsequent supervisory review, contrary to Town policies. For example, the Town Manager purchased furniture totaling \$1,300 and approved his own purchase. Our examination of Town meeting minutes did not disclose Town Council approval of the furniture purchase.

Other than the explanations provided above, Town personnel indicated that they were uncertain why these deficiencies occurred.

Appropriate review of P-card charges is necessary to verify compliance with State law and Town policies and to ensure that an authorized public purpose is documented. Absent such review, there is an increased risk that unallowable charges, fraud, or misuse may occur and not be timely detected and

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<sup>130</sup> For example, Florida Attorney General Opinion Nos. 68-12, 75-07, 79-14, and 94-89.

<sup>131</sup> Section 112.061(10), Florida Statutes, requires that any claim authorized or required to be made under any provision of Section 112.061, Florida Statutes, shall contain a statement that the expenses were actually incurred by the traveler as necessary travel expenses in the performance of official duties and shall be verified by a written declaration that it is true and correct as to every material matter. Section 112.061, Florida Statutes, establishes standard travel reimbursement rates, procedures, and limitations for governmental entities in Florida.

<sup>132</sup> Section 212.08(6), Florida Statutes.

resolved. In September 2024, subsequent to our inquiries, the Town updated its procurement policy to more clearly communicate cardholder requirements.

**Recommendation:** The Town should ensure that all P-card charges are appropriately reviewed for compliance with the P-card policy to ensure that there is adequate supporting documentation, including documentation that clearly demonstrates the authorized public purpose, sales tax is not paid, and all purchased goods are delivered to an official Town location.

## Finding 25: Travel Expenditures

Effective policies and procedures for the administration of travel-related expenditures promote compliance with travel guidelines and requirements and, among other things, require supervisory approval, documented justification for travel, travel by the most economical means possible, and maintenance of documentation supporting the travel expenditures incurred. Such policies and procedures provide travelers, and those responsible for authorizing and approving travel and the related expenditures, a clear understanding of their responsibilities. State law<sup>133</sup> requires travel reimbursement claims to contain a statement that the expenses were actually incurred by the traveler as necessary travel expenses in the performance of official duties and be verified by a written declaration that it is true and correct as to every material matter.

During the period October 2022 through February 2024, the Town recorded 18 travel expenditures totaling \$3,671, all paid using Town P-cards. However, as of October 2024, the Town had not established policies and procedures regarding the administration of travel expenditures. Our examination of Town records and discussions with Town personnel associated with 6 selected travel expenditures totaling \$1,781 disclosed that, contrary to State law, the Town did not maintain travel vouchers or similar documentation to support the approval and purpose for the travel or adequate supporting documentation, including the statement required by State law, for the expenditures. Specifically, the Town Manager purchased a \$358 plane ticket to Minnesota; however, a travel voucher was not prepared, and Town records did not document the purpose of the trip or contain adequate support for the expenditure. In addition, Town personnel were unable to provide adequate supporting documentation to substantiate the other 5 expenditures totaling \$1,064 for hotels, \$329 for car rental, and \$30 for a baggage fee. The lack of Town policies and procedures for the administration of travel expenditures likely contributed to these deficiencies.

The absence of established policies and procedures and adequate controls over travel expenditures increases the risk of unauthorized or unnecessary expenditures. In October 2024, the Town adopted policies<sup>134</sup> requiring travel-related expenses be documented with receipts and submitted to the Finance Department for approval. In addition, Town personnel indicated that use of a standard travel voucher will be considered.

**Recommendation:** To ensure and document that all travel is for a valid, public purpose, the Town should consider strengthening its travel policies to require standard travel authorization request forms and travel vouchers that document the purpose for the travel and approval by the traveler's supervisor and include a signed statement by the traveler that the travel expenses

<sup>133</sup> Section 112.061(10), Florida Statutes.

<sup>134</sup> *Town of Greenville Administrative Operations Policy*.

incurred were necessary expenses in the performance of official Town duties and that the information is true and correct in every material matter. Absent the adoption of a standard travel voucher, the Town should ensure that other Town records specify the purpose for each travel expense and include the statutorily required statement that the expense was actually incurred by the traveler as necessary travel expenses in the performance of official duties.

ADMINISTRATIVE CONTROLS, ASSET MANAGEMENT,  
AND PUBLIC ACCOUNTABILITY AND ACCESSIBILITY

**Finding 26: Motor Vehicle Usage**

Proper accountability for motor vehicle use includes, but is not limited to, documentation for vehicle assignments, motor vehicle usage logs, and records tracking vehicle maintenance and repairs. Motor vehicle logs should support the use of public resources by documenting, among other things, the vehicle driver, vehicle usage mileage (beginning and ending odometer readings), and the purpose of each use.

The Town's *Personnel Policy Manual*<sup>135</sup> requires that Town-owned vehicles be used only for official Town business, unless otherwise approved by the Town Manager. Our examination of Town records and discussions with Town personnel disclosed that, during the period October 2022 through February 2024, the Town owned 13 motor vehicles, consisting of 7 pickup trucks, 2 garbage trucks, 3 commercial vehicles, and 1 sports utility vehicle. According to Town personnel, the Public Works Director and Assistant Public Works Director take their assigned vehicles home because they are both periodically on call for the Town. The other vehicles were assigned to and used by various Town employees and, generally, were to be parked at an official Town location when not in use.

Our examination also found that the Town did not track vehicle maintenance and repairs and that motor vehicle logs were not maintained for any of the 13 vehicles because, according to Town personnel, mileage could not be tracked as none of the vehicles had working odometers. Additionally, Town personnel did not know why none of the odometers were operable. Town personnel indicated that, prior to the Interim Town Manager's resignation in August 2024, the Town considered obtaining new vehicles with working odometers and implementing a procedure to maintain vehicle logs; however, Town personnel subsequently determined that purchasing new vehicles was not financially feasible. Absent records tracking vehicle maintenance and repairs, needed repairs, such as the broken odometers, may not be identified. In addition, absent vehicle logs or similar records, the Town lacks assurance that that Town vehicles were used exclusively to conduct Town business. In October 2024, the Town adopted a policy to require drivers to log vehicle mileage at the start and end of each week, track fuel usage, and require maintenance logs for the vehicles. Notwithstanding, Town personnel are unable to log vehicle mileage until the vehicle odometers are repaired.

The lack of motor vehicle usage logs also precluded a determination of the extent to which the vehicles were used for the personal benefit of Town personnel and the value of personal usage, if any, that should have been included in the gross income reported to the Internal Revenue Service for Town employees.

<sup>135</sup> The Workplace and Town Resources, Use of Town Resources, *Town of Greenville Personnel Policy Manual*, Adopted April 11, 2022.

United States Treasury regulations<sup>136</sup> provide that the use of a qualified nonpersonal use motor vehicle is a working condition fringe benefit provided the use of the vehicle conforms to the requirements of Treasury regulations.<sup>137</sup>

Our inquiry of Town personnel and examination of Town payroll records disclosed that gross income reported to the IRS during the period of October 2022 through February 2024 for certain Town personnel did not include any amounts for the value of any personal use of Town-owned motor vehicles. Notwithstanding this lack of reporting, the Town provided the Public Works Director and Assistant Public Works Director Town-owned vehicles to drive home daily to respond to emergencies and cover after-hour and weekend calls. As the Town did not maintain vehicle usage logs, Town records precluded a determination of the extent to which motor vehicles were used for the personal benefit of Town personnel and the value of personal usage, if any, that should have been included in the employees' gross income reported to the IRS.

**Recommendation: The Town should ensure controls governing the assignment, use, and maintenance of motor vehicles are operating effectively to:**

- **Track maintenance and ensure needed repairs, such as broken odometers, are timely made.**
- **Require motor vehicle usage logs that document the vehicle driver, vehicle usage mileage (beginning and ending odometer readings), and purpose for each use, including any personal use, and evidence supervisory review and approval of the reasonableness and propriety of the use.**
- **Include in the employee gross income reported to the IRS the value of any personal use of Town vehicles.**

## **Finding 27: Capital Assets**

Effective controls over capital assets, including tangible personal property (TPP), are necessary to adequately safeguard and account for Town assets. Appropriate controls should include, for example, the maintenance of capital asset records that reflect asset beginning balances, acquisitions, additions, disposals, and ending balances. Additionally, to help ensure that TPP is used for intended purposes and not inappropriately removed from the entity's premises, an inventory of TPP items should be conducted and reconciled to TPP subsidiary records at least annually. A proper and accurate accounting of TPP and other capital assets is also useful in determining appropriate levels and types of insurance needed to protect Town assets.

The Town's 2022-23 fiscal year audited financial statements reported that capital assets have an estimated life over 2 years and a cost, or value if donated, of more than \$5,000. Further, the audited financial statements reported that the Town maintained \$671,000 in tangible personal property.<sup>138</sup> However, in response to our inquiries, as of August 2024, Town personnel were unable to find any subsidiary records to support the Town's TPP, or evidence of an inventory thereof, and were unsure why

<sup>136</sup> Title 26, Section 1.132-5(h)(1), Code of Federal Regulations.

<sup>137</sup> Title 26 Section 1.274-5(k), Code of Federal Regulations.

<sup>138</sup> As of September 30, 2023, the Town reported construction-in-progress at a value of \$6,678,660, and equipment, buildings, systems and infrastructure, net of depreciation, at a value of \$7,349,539.

such records were not maintained. Absent effective controls to account for capital assets, including periodic TPP inventories and reconciliations of the inventory results to subsidiary records, there is an increased risk that items may be misused or stolen.

In August 2024, the Town adopted a policy<sup>139</sup> requiring the creation and maintenance of a TPP listing, along with a requirement to conduct an annual physical inventory. The Town created a TPP listing in September 2024.

**Recommendation:** The Town should continuously maintain the TPP listing by adding property item acquisitions and removing item disposals, physically inventory all TPP items on an annual basis, compare the inventory results to the TPP listing, and reconcile any noted discrepancies. In addition, the Town should use TPP and capital assets records to verify that appropriate levels and types of insurance have been acquired.

## Finding 28: Public Records Requests

Except as otherwise provided in the Constitution of the State of Florida, pursuant to the State's Sunshine Law,<sup>140</sup> the Town is required to provide public records for inspection upon request. State law<sup>141</sup> stipulates that a custodian of a public record, or their designee, must promptly acknowledge records requests and respond to such requests in good faith. State law<sup>142</sup> authorizes the Town to charge up to 15 cents per one-sided copy for duplicated copies of not more than 14 inches by 8 1/2 inches, no more than an additional 5 cents for each two-sided copy and, for all other copies, the actual cost of duplication of the public record. The Town may also charge up to \$1 per copy for a certified copy of a public record and a reasonable fee based on costs incurred if the nature or volume of public records requested to be inspected or copied requires extensive use of information technology resources or extensive clerical or supervisory assistance.

The Town adopted a Records Management and Records Retention policy<sup>143</sup> to manage and ensure availability of public records upon request. Our review of the policy disclosed that the Town Clerk was the designated custodian of records and records were to be available for review and copying during regular business hours. While the policy did not list a backup for the Town Clerk, given that position had been vacant since May 2020, as of September 2024, the Town's Web site showed the Interim Town Manager as the custodian of records.<sup>144</sup> Our review also found that the policy did not:

- Require public records requests be logged to track and ensure resolution.
- Require Town personnel to confirm receipt of a request to the requestor.

<sup>139</sup> *Town of Greenville Municipal Owned Property and Inventory Management Policy.*

<sup>140</sup> Section 286.011(1) and (2), Florida Statutes.

<sup>141</sup> Section 119.07(1)(c), Florida Statutes.

<sup>142</sup> Section 119.07(4)(a), (c), and (d), Florida Statutes.

<sup>143</sup> *Town of Greenville Records Management and Records Retention Policy*, adopted November 4, 2013.

<sup>144</sup> In response to our inquiries regarding the process for logging and responding to public records requests, Town personnel indicated that, during the audit period, the Town Manager and Office Manager were monitoring the e-mail address, and the Office Manager was likely the primary monitor. On November 20, 2024, our review of the Town's Web site noted that the custodian of records changed from the Interim Town Manager to the Director of Finance and Administration. The assigned e-mail address was updated accordingly. We accessed the Town Web site in June 2025 and noted that the Town Clerk was identified as the custodian of records.

- Establish a time frame for fulfilling public records requests.
- Require response to public records requests when requested documents do not exist or are exempt from public disclosure.
- Establish a methodology for calculating and assessing fees for public records requests that require extensive use of information technology resources or extensive clerical or supervisory assistance.

These policy deficiencies could lead to inefficiencies, poor communication, unresolved requests, lack of transparency, fee disputes, and may have contributed to the issues noted below.

To assess whether Town personnel promptly provided public records, we requested a list of public records requests made during the period October 2022 through February 2024. Since the Town lacked a process for logging public records requests, Town personnel searched for e-mailed requests and responses and created a worksheet. The worksheet included 20 public records requests. Our review of the worksheet disclosed that 1 request was identified as being fulfilled, 3 requests received during the period July 2023 through September 2023 remained unfulfilled, and the status of the other 16 requests, which were received during the period November 2022 through February 2024, was “unknown.”

In response to our inquiries, Town personnel stated that the 3 unfulfilled requests pertained to employee names, salaries, and payroll records. Regarding the 16 requests with an “unknown” status, Town personnel clarified that term “unknown” did not necessarily indicate unfulfilled as the Town may have provided the requested documents in person or by mail. In addition, although no evidence of fulfillment was maintained for the requests with a status of “unknown,” Town personnel provided that:

- Requests from the FDOR and the FDEP may have been fulfilled by uploading or mailing documents.
- A Town resident’s request for copies of legal bills and invoices was likely fulfilled in-person by an Office Manager.
- An Office Manager may have informed a requester that the September 2022 Town Council meeting minutes were unavailable.

Prompt and thorough responses to public records requests promote government transparency and accountability, fostering greater public trust and ensuring compliance with the Sunshine Law.

In addition, while Town accounting records did not disclose any public records fee collections, we noted e-mails sent to a requester for 1 of the 3 unfulfilled requests, informing her that her public records request in July 2023, would cost approximately \$55 to fulfill. The cost consisted of a \$1 per page charge for 25 pages and \$30 for 2 hours of redaction. However, the \$1 per page fee exceeded the statutorily established 15 cents per page limit,<sup>145</sup> and although we requested, Town records were not provided and Town personnel indicated that they were unable to determine how the Town Manager estimated the fees. Absent available information, it was unclear whether the \$55 cost discouraged the requester from continuing to pursue the records.

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<sup>145</sup> Section 119.07(4), Florida Statutes.

In August 2024, the Town adopted a Public Records, Records Retention and Disposition Policy,<sup>146</sup> which included the process for fulfilling public records requests, including logging and tracking requests, preparing responses, determining costs, delivery of requested records, disposition of requests, and training and compliance.

**Recommendation: To ensure the prompt fulfillment of public records requests, the Town should fully implement and comply with its adopted Public Records Retention and Disposition Policy.**

## **Finding 29: Town Hall Hours**

Predictable hours of operation at the Town Hall so that residents can reliably access Town services builds trust and demonstrates the Town's commitment to serving the community efficiently and transparently. Although Town ordinances and policies do not specifically include Town Hall hours of operation, Town policies<sup>147</sup> require full-time employees to be available to the public Monday through Friday from 7:00 a.m. to 4:30 p.m., except on recognized holidays.

In June 2024 the Town's Web site posted Town Hall hours as "Monday–Thursday: 8:30 a.m.–4:30 p.m." and "Friday: 8:30 a.m.–12:00 p.m.," which was inconsistent with the hours that full-time employees were to be available to members of the public pursuant to Town policies. In response to our inquiries, Town personnel stated that the Town policies apply to Town facilities, such as the Public Works Department, which may have hours of operation that differ from Town Hall hours of operation.

In response to allegations that the Town Hall was not readily accessible to Town residents during posted hours, we further inquired of Town personnel regarding their understanding of Town Hall hours of operation. Town personnel could not confirm that the Town Hall hours posted on the Town Web site were strictly observed during the period October 2022 through February 2024 or deny that the prior administration had posted a notice outside Town Hall indicating that it was closed for lunch from 12:00 p.m. to 1:00 p.m., Monday through Thursday.

Although Town personnel confirmed that they do not keep a record of Town Hall closures during regular operating hours, they informed us of several instances of Town Hall closures during regular operating hours throughout the period October 2022 through February 2024. For example:

- On May 1, 2023, a notice was posted outside the Town Hall and on the Town's Web site announcing that the Town Hall would close at 12:00 p.m. on May 2, 2023, and not reopen until May 4, 2023, to accommodate the Town's financial statement audit.
- Similarly, on May 26, 2023, a notice was posted outside the Town Hall and on the Town Web site announcing the Town Hall's closure on May 30, 2023, so that Town personnel could meet with the Town's financial statement auditors.
- The Town Hall closed without advance public notice at 12:00 p.m. on June 26, 2023, and at 1:30 p.m. on June 29, 2023, because the Office Manager had doctor appointments and, at the time, the Office Manager was the sole worker at Town Hall.

<sup>146</sup> *Town of Greenville Public Records, Records Retention and Disposition Policy*, adopted August 22, 2024, via Resolution 2024-13.

<sup>147</sup> *Work Hours, Town of Greenville Personnel Policy Manual*, adopted April 11, 2022.

Frequent Town Hall closures during regular posted hours of operation, especially when there is no advance public notice, undermines transparency and trust in the Town's administration as it creates a perception of unreliability and disorganization.

In October 2024, the Town adopted a policy<sup>148</sup> that established Town Hall hours as Monday to Thursday, 8:30 a.m. to 4:30 p.m., and Friday, 8:30 a.m. to 12:30 p.m. The policy also requires that notices of operating hours be posted outside Town Hall and on the Town's Web site.

**Recommendation:** The Town should adhere to the Town Hall hours of operation established in policy. When closures or deviations from the hours of operation are necessary, the Town should provide the public with advance notice, to the extent practicable, and justification.

## INFORMATION TECHNOLOGY SECURITY CONTROLS AND ANTI-FRAUD POLICY

### Finding 30: Application Security Management

Effective application security management provides a framework for managing risk, developing policies, and monitoring the adequacy of application-related controls. As part of application security management, a comprehensive, documented security design ensures, through the identification of sensitive transactions and separation of duties, that security roles are defined appropriately so that users are not granted excessive or inappropriate access. Access controls are intended to protect data and information technology (IT) resources from unauthorized disclosure, modification, or destruction. Effective access controls include a process for the unique identification of application users that allows management to assign responsibility for system activity to an individual and for timely deactivation of user access privileges when an employee separates from employment. Periodic reviews of access privileges, including those associated with security roles, help ensure that the access privileges remain appropriate and necessary.

The Town uses three different applications to process and report finance information, human resources (HR) information, and vendor payments. IT access privileges within each application are controlled by assigning permissions to individual users. Our review of Town records and inquiry of Town personnel in June and November 2024, disclosed that the policies and procedures required for effective application security management had not been established. Specifically:

- Procedures for authorizing and documenting access privileges assigned within the finance and HR applications had not been established, increasing the risk for unauthorized modification, loss, and disclosure of Town data.
- The Town had not established procedures for, and had not performed, periodic evaluations of application access privileges assigned to user accounts reducing management's assurance that assigned access privileges continue to be appropriate and necessary.
- Two employees shared a user account assigned primary administrative<sup>149</sup> access privileges and a user account assigned "standard all access"<sup>150</sup> privileges. Use of shared accounts reduces

<sup>148</sup> *Town of Greenville Administrative Operations Policy*, adopted October 28, 2024, via Resolution 2024-19.

<sup>149</sup> The primary administrator has access to every part of the accounting software and can manage all users and perform other administrator tasks. By default, the primary administrator is the person who initially set up the software account.

<sup>150</sup> Users assigned these privileges in the accounting software have access to all accounting and bookkeeping tools, financial reports, and most customer and vendor functions.

management's ability to trace responsibility for specific activities within the application software, limiting oversight and increasing the risk of errors or fraud. Although the employees separated from Town employment in September 2022 and in March 2024 and no longer had access to the finance application, the Town had been unable to remove the employees' names from the application software.

- Instead of creating a unique user account, the Interim Town Manager used the logon credentials of a former employee to perform payroll duties within the HR application during the audit period. As of June 2024, the Interim Town Manager was assigned a unique user account. Assigning unique credentials to users promotes accountability for actions performed within the application.
- Although the Town Manager separated from employment in November 2023, our examination of payments made using the vendor payment processing application disclosed that he approved a \$490 compensation payment to a Town Council member in February 2024. In response to our inquiries, Town personnel indicated that the Town Manager did not have access to the application user account at the time of payment and speculated that a former Office Manager had set up automatically recurring Town Council compensation payments. Our examination of Town records disclosed that, although the Town Manager's access was revoked in December 2023 and recurring payments were canceled in April 2024, due to the scheduled process, payments restarted in May 2024. The processing of previously scheduled payments after the Town Manager's access was revoked suggests that the application may not adequately restrict scheduled transactions based on current user permissions.

Subsequent to our inquiries, the Town adopted a policy<sup>151</sup> in October 2024 addressing employee technology use at work and procedures for maintaining cybersecurity protocols to keep systems safe, handling data breaches, password management, and data preservation on Town devices. Notwithstanding, Town policies and procedures need further enhancement to ensure that user access privileges are aligned with users' assigned job duties.

**Recommendation:** The Town should enhance its policies and procedures to ensure that IT user access privileges are necessary for the users' assigned job duties and enforce an appropriate separation of duties. Such procedures should include an effective process for authorizing and documenting assigned access privileges, periodically evaluating user access privileges for continued appropriateness, ensuring that unique user accounts are assigned, promptly deactivating user access privileges when no longer needed, and adequately restricting scheduled transactions based on current user permissions.

### **Finding 31: Anti-Fraud Policy**

Effective policies and procedures for communicating, investigating, and reporting known or suspected fraud are essential to aid in the mitigation, detection, and prevention of fraud. Such policies and procedures educate employees about proper conduct, create an environment that deters dishonesty, and establish controls that provide reasonable assurance of achieving management objectives and detecting dishonest acts. Specifically, anti-fraud policies and procedures identify actions constituting fraud, require individuals to report known or suspected fraud, provide guidance for incident reporting, establish responsibility and guidance for fraud investigation, and specify consequences for fraudulent behavior.

For example, effective incident reporting procedures allow individuals to anonymously report known or suspected fraud and provide an appropriate process for communicating known or suspected

<sup>151</sup> *Town of Greenville Administrative Operations Policy*, adopted October 28, 2024.

management fraud directly to those charged with governance or to an entity's legal counsel. Investigation procedures establish responsibility and the actions for investigating potential incidents of fraud, reporting evidence of such investigations and actions to the appropriate authorities, and protecting the reputation of persons suspected but determined not guilty of fraud.

Our review of Town records disclosed that the Town had adopted a Fraud Policy<sup>152</sup> with the intent to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations. Throughout the Fraud Policy, the Town Superintendent and the Town Clerk were cited as the authorities responsible for administering, revising, interpreting, and applying the policy. However, during our audit period October 2022 through February 2024, there was no Town Superintendent and the Town Clerk position was vacant. According to Town personnel, the position of Town Manager was originally known as Town Superintendent.

While the Fraud Policy had some positive features, such as defined fraud terminology, including examples; consequences for fraudulent or corrupt activities; confidentiality of investigations; and corrective actions, essential to aid in the mitigation, detection, and prevention of fraud, the Policy did not:

- Require individuals to communicate and report known or suspected fraud. Although the Fraud Policy stated that it is the duty and responsibility of an individual to report fraudulent and corrupt known or suspected acts, it does not require such reporting.
- Provide procedures on how to anonymously report known or suspected fraud. Although the Fraud Policy stated that the information may be reported anonymously and has identified the individuals to whom the concerns can be reported, it did not define the procedures to facilitate confidential and anonymous reporting of related concerns.
- Require officials to keep accurate records of reported known or suspected fraud.
- Assign responsibility and outline procedures or guidelines for investigation of potential and actual incidents of fraud. Although the Fraud Policy stated that persons of authority would designate appropriate personnel to do the investigation, it did not identify specific individuals, nor outline specific procedures or steps that would be conducted for related investigations.

Absent updated, adequately designed, and comprehensive anti-fraud policy, there is an increased risk that potential acts of fraud may not be recognized, appropriately communicated, and investigated, and reported to the appropriate authorities for resolution. GFOA best practices<sup>153</sup> recommend that the documentation of policies and procedures be evaluated annually and updated periodically, at least every 3 years, according to a predetermined schedule. Changes in policies and procedures that occur between these periodic reviews should be updated promptly as they occur. In response to our inquiries, Town personnel indicated that they cannot determine whether the Fraud Policy was actively followed or regularly reviewed by the Town Council or former Town personnel and agreed that the Policy needed to be updated and more actively implemented.

Subsequent to our request, on September 9, 2024, the Town adopted an Anti-Fraud Policy<sup>154</sup> and addressed certain areas of concern, such as updating obsolete positions and persons of authority, addressing mandatory reporting, and assigning responsibility for investigations.

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<sup>152</sup> *Town of Greenville Fraud Policy*, adopted November 4, 2013.

<sup>153</sup> GFOA Best Practice: *Policies and Procedures Documentation*, October 2021.

<sup>154</sup> *Town of Greenville Anti-Fraud Policy*, Resolution 2024-15, adopted September 9, 2024.

**Recommendation:** The Town should continue efforts to develop a comprehensive anti-fraud policy by further enhancing the Anti-Fraud Policy to:

- Provide procedures for anonymous reporting of known or suspected fraud, such as establishment of a hotline.
- Require officials to keep accurate records of reported fraud or suspected fraud.
- Outline procedures or guidelines for investigating potential and actual incidents of fraud.

## ***OBJECTIVES, SCOPE, AND METHODOLOGY***

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The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations. Pursuant to Section 11.45(3)(a), Florida Statutes, the Legislative Auditing Committee, at its December 11, 2023, meeting, directed us to conduct this operational audit of the Town of Greenville (Town).

We conducted this operational audit from March 2024 through July 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of this operational audit were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, administrative rules, regulations, ordinances, resolutions, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, the reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those internal controls.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, weaknesses in management's internal controls significant to our audit objectives, instances of noncompliance with applicable governing laws, rules, or contracts and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit;

obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included transactions, as well as events and conditions, occurring during the audit period October 2022 through February 2024, and selected Town actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of management, staff, and vendors and, as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws, grants, contracts, Town ordinances, policies and procedures, and other guidelines, and interviewed Town personnel to gain an understanding of applicable processes and administrative activities and the related requirements.
- Examined minutes of Town Council meetings held during the audit period, and the minutes of selected meetings held prior and subsequent to the audit period, to determine the propriety and sufficiency of actions taken related to the programs, activities, and functions including in the scope of this audit.
- Reviewed the Town's audited financial statements and requested records necessary to assess the Town's financial condition as of June 2024.
- Determined whether the Town had established, as of July 2024, a policy that established a minimum level of fund balance in the General Fund and a minimum level of working capital within the Enterprise Fund, as recommended by Government Finance Officers Association (GFOA) best practices.
- Determined whether the Town had timely submitted the 2020-21, 2021-22, and 2022-23 fiscal year financial audit reports and annual financial reports (AFRs) to the Auditor General and the Florida Department of Financial Services, in accordance with Sections 218.39(1)(b) and (7) and 218.32(1)(d), (g), and (2), Florida Statutes, respectively.
- Evaluated the sufficiency of Town policies and procedures to adequately detect and resolve potential nepotism, related party transactions, and conflicts of interest.
- Inquired of Town personnel and reviewed Town Council meeting minutes and other Town records from the period October 2022 through February 2024 and selected meeting minutes prior and subsequent thereto for nepotism and other related party transactions.
- Examined Town records for the 22 payments totaling \$7,300 made to the former Town Mayor's sister between April 2022 and January 2024 to determine whether such payments were indicative of a conflict of interest.

- Examined Madison County Supervisor of Elections and Florida Commission on Ethics records to determine whether elected officials and specified others filed statements of financial interests, as required by Section 112.3145, Florida Statutes, for the 2022 and 2023 reporting periods.
- Compared Florida Department of State, Division of Corporations, records and statements of financial interests filed for the 2022 and 2023 reporting periods to Town records to identify any relationships that represented potential conflicts of interest or related party transactions.
- Determined whether the Town had established policies and procedures that provide for appropriate access to the accounting system and that all such access is appropriately authorized.
- Determined whether the Town had performed periodic reviews of the accounting system user access.
- Evaluated the timeliness of disabling accounting system access for users who separated from Town employment.
- For the period April 2021 to February 2024, examined Town records to determine whether the Town properly noticed Town Council meetings; consistently held the meetings according to the Town's schedule; ensured that the meeting agenda was timely available to Town Council members and members of the public; granted public access to the meetings; properly recorded votes; promptly recorded minutes of the meetings; promptly reviewed and approved the meeting minutes, and made the minutes readily accessible to the public.
- Examined Town records and inquired of Town personnel related to public records requests received during October 2022 through February 2024, to determine whether adequate controls and records had been established, Town personnel promptly processed such requests, and that any fees assessed to requestors were properly calculated and in accordance with Sections 286.011, 119.01 and 119.07, Florida Statutes.
- Examined Town records and inquired of Town personnel to determine whether the Town Charter amendments adopted by the Town during the period January 2020 to January 2024 were properly adopted, incorporated into the Town's Charter, and provided to the Florida Department of State.
- Examined Town records and inquired of Town personnel to determine whether the Town had developed a comprehensive method for retaining and codifying Town ordinances.
- Evaluated the adequacy of Town ethics training policies and procedures to ensure that Town Council Members and Town personnel received sufficient training.
- Examined Town ordinances, policies and procedures, inquired of Town personnel, and visited the Town Hall and the Town's two parks to determine whether the Town provided public access to the Town Hall and the Town parks during scheduled hours of operation.
- Inquired of Town personnel and examined Town Council meeting minutes to determine whether the November 2022 election qualifying paperwork for Town Council candidates was timely filed with the Madison County Supervisor of Elections and determined whether the Town Council filled a vacant Town Council seat in accordance with the Town Charter.
- Determined whether Town personnel periodically provided budget-to-actual information and other financial information to the Town Council in accordance with the Town Charter and GFOA best practices.
- Determined whether the Town prepared and adopted budgets and levied ad valorem property taxes for the 2022-23 and 2023-24 fiscal years in accordance with Sections 166.241 and 200.065, Florida Statutes, and the Town Charter.
- Examined Town records to determine whether Town personnel input the 2023-24 fiscal year legally adopted budget into the Town's accounting system to effectively regulate expenditures and expenses.

- Examined Town records to determine whether the Town posted the 2023-24 fiscal year tentative and final budgets on the Town's Web site in accordance with Section, 166.241, Florida Statutes.
- Examined selected financial reports and related records, including details of activity for the period October 2022 through February 2024, and corresponding detailed subsidiary records, to determine whether the Town's accounting records and reports were complete and accurate.
- Reviewed Town records supporting transfers in, totaling \$173,522 and \$118,415, during the audit period for the General Fund and Utility Fund, respectively, and transfers out totaling \$7,006 and \$7,806 during the audit period for the same funds for the period October 2022 through February 2024 to determine whether the transfers were reasonable, necessary, and adequately supported.
- Examined Town records to determine whether the Town maintained banking agreements for all bank accounts and whether bank account reconciliations were promptly prepared and contained evidence of review and approval. In addition, we examined Town records to determine whether identified reconciling differences were promptly investigated and posted to the Town's accounting records.
- Examined Town records to determine a proper separation of duties was in place for tasks such as preparing and issuing invoices for water, sewer, and garbage services, receiving and processing payments, recording customer account transactions, preparing and depositing funds into the designated bank account, processing and approval of expenditures, and maintaining accurate accounting records.
- Examined Town ordinances and other Town records to obtain the legally adopted utility rates during the audit period and determined whether the Town's processes for establishing utility service rates for customers inside and outside Town limits complied with State law and Town ordinances.
- Examined Town records supporting 30 selected utility bills totaling \$30,324 issued for 30 customer utility accounts during the audit period to determine whether billed amounts and related collections complied with applicable Town ordinances, policies, and procedures. In addition, evaluated the sufficiency of Town utility services billing and collection processes.
- Examined Town records supporting 30 of 340 delinquent customer utility accounts during the audit period to determine whether late and reconnect fees were billed and collected.
- Inquired of Town personnel and examined Town records to determine whether Town Council members were involved in day-to-day Town operations, contrary to the Town Charter.
- Examined Town records to determine whether the Town maintained position descriptions for individuals employed by the Town.
- Reviewed Town records to determine whether the Town consistently used job titles associated with various positions and evaluated the effect of any such inconsistencies on the transparency of Town business.
- Analyzed the turnover in key Town personnel, including the Town Clerk position, during the period October 2022 through August 2024, and evaluated the effects of turnover on provision of Town operations and services.
- Examined Town documentation and inquired with Town personnel to determine whether the Town performed compensation research prior to hiring the Town Manager and Interim Town Manager. In addition, we compared the compensation of the Town Manager and Interim Town Manager to compensation paid by similar municipalities for reasonableness.
- Reviewed all employment contracts to determine whether any severance pay provisions complied with Section 215.425, Florida Statutes. In addition, examined Town records and inquired with

Town personnel to determine whether any severance payments were made during the period October 2022 to February 2024.

- Examined Town records and inquired of Town personnel to determine whether the Town entered into any contractual agreements for services with Town employees.
- Examined Town records and inquired with Town personnel to determine whether the contracts entered into by the Town were signed by all required parties and whether service contracts entered into by the Town included adequate deliverables to serve the interests of the Town.
- Examined Town records to determine whether the termination of the Town Manager in November 2023 was performed in a transparent manner that provided an opportunity for public input and complied with Section 286.011, Florida Statutes (Sunshine Law), the Town Charter, and Town policies and procedures. Examined Town records and court records and inquired with Town personnel to evaluate the potential effects of a lawsuit filed against the Town by the former Town Manager.
- Examined Town documentation and inquired with Town personnel to determine whether the Town followed its policies and procedures for the hiring of new personnel, including advertising of positions and documented hiring approval.
- Examined Town records to determine whether the Town regularly performed employee evaluations.
- Examined Town records to determine whether employee separations from employment occurring during the period October 2022 through February 2024 were performed in accordance with Town policies and procedures.
- From the 1,655 nonpayroll expenditures totaling \$2.7 million during the period October 2022 through February 2024:
  - Selected 30 expenditures totaling \$1.2 million and examined Town records to determine whether the Town had established appropriate procurement controls to adequately provide for the effective and efficient use of resources in accordance with applicable laws, contracts, grant agreements, and Town policies and procedures.
  - Examined 30 invoices totaling \$1.2 million to determine whether the Town timely paid the invoices to comply with Chapter 218, Section VII, Florida Statutes (Prompt Payment Act).
- Reviewed the Town's accounting records for the three grants awarded by the Florida Department of Economic Opportunity, now the Florida Department of Commerce (FCOM)<sup>155</sup> and one grant awarded by USDA to evaluate whether the grant funds were expended in accordance with the purposes specified in the grants and whether sufficient documentation was maintained to accurately reflect the expenditures.
- Obtained the Town's 2022 calendar year water quality report to determine whether the report identified any deficiencies, was disseminated to Town residents in accordance with Florida Department of Environmental Protection (FDEP) Rule 62-550.824, Florida Administrative Code, and was provided to the Town Council and members of the public.
- Examined records and inquired with Town personnel to determine whether the Town received any communications from the FDEP indicating that the Town had not complied with FDEP regulations.
- Obtained the FDEP warning letter dated October 9, 2023, and evaluated the sufficiency of Town actions taken to resolve the issues noted in the letter.

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<sup>155</sup> The Florida Department of Economic Opportunity was renamed the Florida Department of Commerce pursuant to Chapter 2023-173, Laws of Florida, effective July 1, 2023.

- Determined whether the Town Manager resided in or sufficiently near the Town to adequately performed his duties.
- Examined reimbursements made to the former Town Manager to ensure compliance with his employment contract and Town policies.
- Examined Town records to determine whether the Town maintained a listing of capital assets and whether the Town periodically performed inventories of tangible personal property.
- Examined Town records and inquired of Town personnel to determine whether the Town made a determination of record as to whether workers should be considered employees or contractors for Internal Revenue Service (IRS) reporting purposes.
- Examined Town records for 51 expenditures of \$5,001 or more and totaling \$1.9 million, to determine whether the goods and services were competitively procured in accordance with Town policies.
- From the population of 200 purchasing card (P-card) charges totaling \$30,014, selected 27 P-card charges totaling \$13,946 and examined Town records to determine whether the charges were for valid public purposes and complied with Town policies and procedures.
- From the population of 18 travel expenditures totaling \$3,671, selected 6 travel expenditures totaling \$1,781 and examined Town records to determine whether the Town had established effective policies and procedures for travel expenditures.
- Examined Town records and inquired of Town personnel to determine whether the Town tracked personal usage of Town-owned vehicles and reported the value of any such personal usage to the IRS.
- Determined whether the Town had established effective policies and procedures for communicating, reporting, and investigating known or suspected fraud.
- Inquired of Town personnel to determine whether the Town incurred any expenditures or entered into any contracts under the authority granted by a state of emergency, declared or renewed during the audit period.
- Examined Town records, including Town Council meeting minutes, for the audit period and inquired of Town personnel to determine whether any construction or electrical projects with estimated or actual costs exceeding thresholds specified in Section 255.20, Florida Statutes, were performed using Town services, employees, and equipment.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

## ***AUTHORITY***

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Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is written in a cursive style with a large initial 'S'.

Sherrill F. Norman, CPA  
Auditor General

# MANAGEMENT'S RESPONSE

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154 SW Old Mission Avenue • Post Office Box 235 • Greenville, Florida 32331-0235  
Phone 850-948-2251 • Fax 850-948-3363

*Incorporated 1907*

August 14, 2025

The Honorable Sherrill F. Norman, CPA  
Florida Auditor General  
Office of the Florida Auditor General  
Claude Denson Pepper Building  
111 West Madison Street, Suite G74  
Tallahassee, Florida 32399-1450

**RE: Town of Greenville Operational Audit  
Preliminary and Tentative Findings Responses**

Dear Ms. Norman,

Pursuant to Section 11.45(4)(d), *Florida Statutes*, the Town of Greenville, Florida, hereby submits its official responses to the preliminary and tentative audit findings issued by your office on July 15, 2025.

The audit, covering the period from October 2022 through February 2024, identified thirty-one findings. The Town acknowledges the findings and appreciates the professional conduct and technical assistance provided by your staff. Corrective actions, including measures implemented during the course of the audit, are detailed in the attached responses.

This submission is timely filed and intended to serve as the Town's complete response to the preliminary and tentative findings. Please direct any requests for clarification or additional documentation to the undersigned.

Sincerely,



Dr. Victoria K. Kingston  
Town Manager

Attachment

cc: Town Council, Town of Greenville, Florida  
Mrs. Kimberly M. Reams, Town Clerk  
John Laurance Reid, Esq., Town Attorney

An Excellent Place to Live and Work

**TOWN OF GREENVILLE OPERATIONAL AUDIT  
Preliminary and Tentative Findings**

**Official Responses of the Town of Greenville, Florida**

**INTRODUCTION**

Many of the deficiencies identified in this audit arose under prior Town leadership. The officers and staff who contributed to these issues are no longer affiliated with the Town. The current Town Council, Charter Officers, and staff are fully committed to correcting the deficiencies, strengthening internal controls, and ensuring sound governance. Several corrective measures have already been implemented, and the Town will continue to build upon these reforms to restore full compliance and public confidence. The following sections provide the Town's responses to each finding, including corrective actions taken and planned.

**FINDINGS AND RESPONSES**

**GOVERNANCE, ETHICS, AND OVERSIGHT OF TOWN OPERATIONS**

**Finding 1: Town personnel did not submit qualifying candidate paperwork to the Madison County Supervisor of Elections, resulting in a 1-year vacancy on the Town Council.**

- The Town of Greenville acknowledges this finding.
- The Town Charter provides for the Town Clerk to serve as the local Supervisor of Elections. The applicable duties have traditionally been to oversee candidate qualifying and contract with the Madison County Supervisor of Elections to conduct the election.
- The clerk position was vacant from June 2020 until February 2025.
- As a result of the vacancy in the clerk position, the Town relied on the Town Manager and his subordinates to complete tasks assigned to that office.
- The former Town Manager resided approximately two hours from Greenville and largely worked remotely. Upon information and belief, the former Town Manager was not present in Greenville during the candidate qualifying period.
- The Town of Greenville currently has a Town Clerk and intends to keep this position filled in the future.
- Town leadership has engaged in discussions about amending the charter to require vacant charter officer positions to be filled within a specific period of time.

**Finding 2: The Town had not established policies and procedures to identify, document, and resolve potential conflicts of interest. As a result, the Town Council proceeded with actions despite the presence of an apparent conflict of interest.**

- The Town of Greenville acknowledges this finding.
- On August 9, 2021, the Town Council adopted its Rules of Procedure, which includes a single paragraph prohibiting councilmembers from participating or voting on matters where a conflict as defined by state law exists. These rules simply stated a prohibition and did not establish procedures for identifying, documenting, and resolving potential conflicts

of interest. Furthermore, the rule only applies to councilmembers' conduct during publicly noticed meetings.

- Prior to September 2024, the Town relied on the conflict of interest protections in Chap. 112, Part III, *Florida Statutes*.
- On September 9, 2024, the Town Council adopted a comprehensive Conflict of Interest Policy to prevent future ethical lapses. The policy establishes procedures for identifying, documenting, and resolving potential conflicts of interests and applies to councilmembers, charter officers, employees, and independent contractors.

**Finding 3: The Town had not established policies and procedures to ensure the timely filing of the financial disclosure forms required by State law.**

- The Town of Greenville acknowledges this finding.
- On October 28, 2024, the Town Council adopted an Administrative Operations Policy that, inter alia, required the Town to provide reminders to councilmembers prior to the deadline to file state financial disclosure forms.
- On March 10, 2025, the Town Council amended the policy, assigning this responsibility to the Town Clerk.
- Since the adoption of this policy, all councilmembers and charter officers have timely filed their required financial disclosure forms.

**Finding 4: Contrary to State law, the Town conducted business with organizations affiliated with Town Council Members and Town employees. In addition, Town records did not always evidence the public purpose served by expenditures for good and services purchased from related organizations.**

- The Town of Greenville acknowledges this finding.
- As it pertains to the Town engaging in business with organizations affiliated with councilmembers or municipal employees, these conflicts are now explicitly prohibited by the Conflict of Interest Policy, adopted on September 9, 2024.
- In addition to mandating recusal from conflicting contractual relationships, the policy also mandates public disclosure of conflicts.
- On September 23, 2024, the Town Council adopted its Financial Controls and Authorization Policy, creating greater oversight on spending using P-cards.
- Cardholders are required to acknowledge that they will comply with the policy, including but not limited to ensuring that all purchases are for legitimate Town business.
- Those charter officers and employers assigned a P-card must obtain and submit receipts for all purchases to the Town Clerk with a monthly reconciliation report.

**Finding 5: To ensure compliance with State law, improve transparency and accountability, and promote public participation, the Town needed to enhance controls over Town Council meeting scheduling, notification, agendas, and minutes.**

- The Town of Greenville acknowledges this finding.
- On August 9, 2021, the Town Council adopted its Rules of Procedure, intended to regulate public meetings. Admittedly, the prior administration frequently failed to follow these rules.
- The current leadership is committed to complying with the Town Council Rules of Procedure, ensuring consistent scheduling of meetings, timely notification and preparation of agendas and minutes.

**Finding 6: Town Council meeting records did not always document the presence of a quorum or evidence that voting procedures were followed.**

- The Town of Greenville acknowledges this finding.
- The Town Charter requires that minutes be prepared by the Town Clerk, and as previously stated, this office was vacant for nearly five years, which included the entirety of the audit period.
- Previously, the minutes were generally prepared the Town's office manager and possibly the former Town Mayor.
- The office of Town Clerk is currently filled, and she is required to attend all meetings of the Town Council. The Town Clerk is responsible for taking notes at all meetings and subsequently preparing minutes.
- Furthermore, the Town Clerk currently ensures that all minutes include the following:
  - Date, time, and place of the meeting.
  - Names of members present, indicating whether a quorum is present. Additionally, the minutes will identify when in the agenda a tardy member arrives and joins the meeting.
  - Clear identification of all official actions taken by the Town Council.
  - Clear identification of motions made, the identify of the members who move and second the motion, votes taken, and how each member voted by way of a roll call record.
  - A summary of all business before the Town Council, including discussion by the members, with enough detail so that the public can understand what occurred.

**Finding 7: Contrary to the Town Charter, Town Council Members were regularly involved in the day-to-day operations of the Town.**

- The Town of Greenville acknowledges this finding.
- Prior to November 2023, the former Mayor was extremely involved in the day-to-day

operations even though she was repeatedly informed that the conduct violated the Town Charter and was highly inappropriate.

- This former Mayor is no longer serving on the Town Council as of November 2024.
- Following November 2023 when the former Town Manager was terminated for cause, the newly elected Vice Mayor assisted with the day-to-day operations, specifically assisting the transfer of municipal funds between accounts. While the Town acknowledges that these activities were inappropriate, the alternative was less desirable. Without the assistance of the Vice Mayor at this time, it is likely that vendors would not have been timely paid and that accounts would be overdrawn.
- Once the financial records became more manageable and additional staff were retained to assist with administrative duties, the Vice Mayor promptly withdrew from all day-to-day activities.
- The findings correctly note that on September 23, 2024, the Town Council adopted its Financial Controls and Authorization Policy, which, *inter alia*, strictly prohibits elected officials from engaging in any financial transactions although it does grant the Mayor and Vice Mayor view-only access to municipal accounts.

**Finding 8: Town policies and procedures were insufficient to ensure that Town Council Members received the ethics training required by State law.**

- The Town of Greenville acknowledges this finding.
- As stated in the findings, the Town Attorney traditionally provides reminders to councilmembers in December and furnishes a hyperlink to training offered by the Florida League of Cities. The Town did not have any policies related to ethics training required by state statutes.
- The findings are correct that the Town has not yet adopted policies that provide reminders to councilmembers of their ethics training requirements.
- The Town, however, does indirectly maintain a record of councilmembers' completion of ethics training by way of the certification contained in the state financial disclosure forms.
- The Town, however, does intend to amend its Administrative Operations Policy to include policies and procedures to better remind councilmembers of their ethics training and to track their completion.

**BUDGETARY PROCESS AND FINANCIAL CONDITION**

**Finding 9: Town controls over the budgetary process needed improvement to ensure that budget hearings are advertised and held in accordance with State law and Town Charter requirements, final budgets and ad valorem millage rates are properly adopted, budgets are properly recorded in Town accounting records, budget monitoring is effective, and the tentative and final budgets are posted on the Town Web site as required by State law.**

- The Town of Greenville acknowledges this finding.
- Since the commencement of this operational audit, the Town Council placed a charter amendment before the municipal electors, which was subsequently adopted, that explicitly identifies all statutory requirements for the budget process and allows the Town's budget to be established by either ordinance or resolution, consistent with state law.
- While the recommendation calls for the budget to be adopted by ordinance, the recent charter amendment removed that narrow mandate.
- Traditionally, the Town Clerk was responsible for procedures associated with the municipal budget. As this position was vacant for the entire audit period, many of these statutory mandates were not done.
- The current Town Clerk has assumed the responsibility for ensuring that all statutory requirements for the budgetary process are met.
- Currently, the Town has commenced its budgetary process. A budget workshop was held on August 11, 2025, and another budget workshop will be held on August 25, 2025. A public hearing for the tentative budget and millage rate is scheduled for September 8, 2025. The public hearing for the final budget will be held well before September 30, 2025 and will be scheduled later, at the September regular meeting.

**Finding 10: According to the financial audit report for the 2021-22 and 2022-23 fiscal years, the Town had experienced deteriorating financial conditions. Due to inaccurate and incomplete financial records, the Town's financial condition as of June 2024 could not be determined.**

- The Town of Greenville acknowledges this finding.
- Prior to November 2023, the former Town Manager rarely provided financial records sufficient to alert the Town Council of any financial distress.
- Following the former Town Manager's separation from the Town in November 2023, the new staff learned that bank reconciliations had not been completed for over one year. The staff immediately obtained an independent contractor to complete these reconciliations.
- In June 2024, the Town retained the services of a highly regarded CPA firm, James Moore & Co., to serve as a financial consultant.
- James Moore & Co. continues to serve in this capacity and in recent months completed all past reconciliations and more importantly corrected the inadequate bookkeeping, which was a problem for numerous years.
- With the assistance of James Moore & Co., the Town Manager and Town Clerk provide the Town Council with a budget-to-actual report at each monthly regular meeting.

**Finding 11: Contrary to Government Finance Officers Association best practices, the Town had not, as of July 2024, established General Fund unrestricted fund balance requirements and Enterprise Fund working capital target amounts. The maintenance of appropriate General Fund unrestricted fund balances and established Enterprise Fund working capital**

**target amounts may help prevent future deteriorating financial conditions.**

- The Town of Greenville acknowledges this finding.
- The Town, working closely with James Moore & Co., is currently engaged in the budgetary process for the 2025-26 fiscal year and are committed to making significant budget cuts to ensure that the General Fund unrestricted fund balance and Utility Fund working capital amounts are maintained at acceptable levels, consistent with GFOA recommendations.

**FINANCIAL REPORTING, ACCOUNTING RECORDS, AND INTERNAL CONTROLS**

**Finding 12: The Town did not timely provide for and submit required annual audited financial statements and annual financial reports (AFRs) to the Florida Auditor General and Florida Department of Financial Services (FDFS), respectively, for the 2020-21, 2021-22, and 2022-23 fiscal years.**

- The Town of Greenville acknowledges this finding.
- As those responsible for the 2020-21, 2021-22, and 2022-23 annual audited financial statements and annual financial reports are no longer affiliated with Greenville, the Town cannot identify the cause of these delayed submissions.
- The findings correctly state that the 2023-24 annual audited financial statements and annual financial reports were filed less than two weeks late. The reason for the late submission was due to the magnitude of corrections to the Town's past financial records due to past mismanagement. The Town is confident that these deficiencies have been satisfactorily corrected to the level where future delays can be avoided.
- On September 23, 2024, the Town Council adopted its Financial Controls and Authorization Policy, which was subsequently amended on March 10, 2025, which provides timelines for the completion of tasks necessary to prepare the annual audited financial statements and annual financial reports.

**Finding 13: Town accounting records contained numerous significant errors.**

- The Town of Greenville acknowledges this finding.
- As previously stated, the Town discovered following the former Town Manager's separation that the financial records were in disarray and needed significant corrections.
- Again, the Town immediately retained an independent contractor to perform more than one year of outstanding bank reconciliations.
- The Town then retained the services of James Moore & Co. in June 2024 to make corrections to all financial records.

**Finding 14: Bank account reconciliations were not promptly performed, contained errors that were not promptly investigated and resolved, and lacked evidence of review.**

- The Town of Greenville acknowledges this finding.
- On September 23, 2024, the Town Council adopted its Financial Controls and Authorization Policy, which, *inter alia*, requires the Town Clerk to ensure that all financial accounts are reconciled monthly. Admittedly, the policy does not provide a timeline for such reconciliations, so the Town intends to amend the policy to implement the 30-day timeline recommended by the Preliminary and Tentative Findings.
- The Financial Controls and Authorization Policy further requires that any discrepancies found during reconciliation be immediately reported to the Town Manager so corrective action can be taken.

**Finding 15: Town personnel responsible for utility billing and cash collections performed incompatible duties without adequate compensating controls.**

- The Town of Greenville acknowledges this finding.
- Historically, the Town regularly employs no more than three staff members outside of the public works department. Currently, the Town Manager and Town Clerk are the only municipal employees outside of the public works department.
- As a result of the Town's limited staff, the segregation of duties has always been an ongoing challenge.
- On September 23, 2024, the Town Council adopted its Financial Controls and Authorization Policy, which, *inter alia*, provides detailed procedures for performing financial transactions. All payments by the Town must be initiated by the Town Clerk and approved by the Town Manager. Cash deposits may not be performed by the same person who prepares the deposit slip.

**UTILITY BILLING AND GRANT COMPLIANCE**

**Finding 16: Utility billing rates were not in accordance with Town ordinances, and Town records did not document how the utility rates being billed were established.**

- The Town of Greenville acknowledges this finding.
- The prior administration increased the utility rates each year but did not provide sufficient notice or hold public hearings as required by state law. It is unknown why this was done.
- The officers and staff who oversaw these utility rate increases are no longer affiliated with Greenville. The current Town leadership is aware of the statutory requirements and committed to abiding by them.
- The Town has requested a rate study by the Florida Rural Water Association to determine

the appropriate rates for the Town of Greenville. Once the study is complete, the Town Council will discuss, and if changes to the rates are required, the Town will provide the required notice and hold public hearings.

- Also, following the completion of the rate study by the Florida Rural Water Association, the Town will initiate a review of those ordinances associated with water, sewer, and sanitation to determine what changes are required.

**Finding 17: Town records did not always demonstrate that utility fees were correctly assessed to customers. In addition, utility fees were not consistently assessed or were assessed and then subsequently reversed without adequate justification.**

- The Town of Greenville acknowledges this finding.
- The current Town leadership cannot the past actions of the previous administration.
- The Town intends to propose and adopt a policy related to utilities to streamline the process and ensure consistency in billing practices.

**Finding 18: The Town did not comply with significant grant provisions associated with grants received to construct a grocery store, resulting in significant construction delays.**

- The Town of Greenville acknowledges this finding.
- The prior leadership failed to maintain adequate records for grant awards and their respective administration. As a result, it is unclear why certain requirements were not met.
- The lack of a Town Clerk, who serves as the Town’s custodian of records, may have contributed to the failure to properly maintain records.
- The Town intends to discuss and adopt policies related to grant management to ensure that strict standards are established and followed.
- On August 22, 2024, the Town Council adopted its Public Records, Record Retention and Disposition Policy. This policy addresses the collection and retention of public records, requiring that all Town records be collected by or turned over to the Town Clerk.
- On June 26, 2025, the Town Council adopted Resolution 2025-17, directing the Town Manager to execute a Memorandum of Understanding with DSR Public Health Foundation, Inc. (hereinafter referred to as “DSR”). DSR is a Florida-based health and human services tax-exempt organization. DSR has agreed to serve as the operator of the grocery store and will work in conjunction with the Town to oversee the operations of the grocery store.
- The Town is working with DSR and our existing grant consultant to identify new federal and state grants for the benefit of the grocery store.
- The Town is preparing to apply for a new grant under the U.S. Department of Housing and Urban Development, intended to assist communities in mitigating future risks from natural disasters. The grocery store should serve as a central hub for residents seeking food during power outages resulting from major weather events.

**PERSONNEL ADMINISTRATION**

**Finding 19: The Town had not established position descriptions for some employees.**

- The Town of Greenville acknowledges this finding.
- Town leadership intends to draft and adopt job descriptions for all municipal employees by the year's end.

**Finding 20: The Town had not established policies and procedures for determining whether workers should be classified as employees or independent contractors in accordance with Internal Revenue Service (IRS) requirements.**

- The Town of Greenville acknowledges this finding.
- Town leadership is confident that all current workers are employees as defined by regulations of the Internal Revenue Service.
- Town leadership will analyze whether Town councilmembers, who receive minimal compensation similar to a stipend, are correctly classified as independent contractors.

**Finding 21: The Town's processes for hiring, compensating, and terminating the Town Manager did not comply with State law, Town policies and procedures, and good business practices.**

- The Town of Greenville acknowledges this finding.
- The Town acknowledges that many of the actions taken regarding the former Town Manager, specifically his hiring, his increase in compensation, and his termination, were hastily taken, although the Town insists that the termination was not unlawful.
- Prior to 2020, the Town charter provided due process protections for charter officers facing adverse actions. These provisions were presented to the voters and repealed, but Town leadership is considering restoring similar but not identical provisions to those due process protections. Such provisions need not be in the Town charter but rather in ordinance.
- As it applies to compensation, employment contracts, and similar matters, Town leadership has discussed ordinances and/or policies that would provide for cooling-off periods so such matters could not be acted upon hastily.
- The Town Council intends to discuss at its September regular meeting any actions that may be taken to recover improper expenses and reimbursements from the former Town Manager.

### PROCUREMENT AND EXPENDITURES

**Finding 22: The Town did not always timely pay vendors and had not established policies and procedures to promote compliance with the Local Government Prompt Payment Act.**

- The Town of Greenville acknowledges this finding.
- On September 23, 2024, the Town Council adopted its Financial Controls and Authorization Policy, which, *inter alia*, outlines the mandates found in the Florida Prompt Payment Act (Section 218.70 et seq., *Florida Statutes*), including time requirements for payments to vendors.
- The same policy does not address payments toward P-card statements to avoid late charges and fees; however, the policy can be amended to include such procedures.

**Finding 23: Town controls over the procurement of goods and services needed enhancement to ensure applicable purchases are competitively procured, contracts and purchase orders are consistently used, and satisfactory receipt of goods and services is documented before payment is made.**

- The Town of Greenville acknowledges this finding.
- On September 9, 2024, the Town Council adopted a new Procurement Policy that, *inter alia*, adjusted the amount thresholds for different procurement methods and provided more detailed procedures for future procurements. All adjustments fall within those procurement thresholds established in state law.
- Admittedly, the policy does not explicitly require evidence of satisfactory receipt of goods and services prior to payment; however, the policy can be amended to include such requirements.

**Finding 24: The Town should enhance its procurement card (P-card) controls to ensure and document that P-card purchases comply with Town policies and serve a valid public purpose.**

- The Town of Greenville acknowledges this finding.
- On September 23, 2024, the Town Council adopted its Financial Controls and Authorization Policy, which, *inter alia*, prohibits purchases that are personal in nature and do not serve a valid public purpose.
- Payments made by Town personnel, whether by a written check or the Bill.com software, are required to be initiated and approved by the Town Clerk and the Town Manager, respectively. This two-step process for payments allows Town leadership to ensure expenditures are proper and serve a valid public purpose.
- The Financial Controls and Authorization Policy also strictly prohibits the use of a P-card for personal expenses. The policy provides for oversight of P-card purchases, requires

authorized users to ensure all purchases serve a valid public purpose, and provides for disciplinary action, including up to termination, for those who violate the policy.

**ADMINISTRATIVE CONTROLS, ASSET MANAGEMENT,  
AND PUBLIC ACCOUNTABILITY AND ACCESSIBILITY**

**Finding 25: Town controls over travel expenditures needed enhancement to ensure proper documentation and compliance with State law.**

- The Town of Greenville acknowledges this finding.
- Many of the travel expenditures and reimbursements during the audit period were made without the knowledge or consent of the Town Council.
- The Financial Controls and Authorization Policy requires travel expenses, whether made with a P-card or paid as a reimbursement, to be thoroughly documented and provides for strict oversight by the Town Clerk.
- The policy requires any discrepancies, unauthorized transactions, or potential misuse of a P-card to be investigated immediately so corrective action can be taken if necessary.
- Additionally, the Town Clerk shall conduct quarterly audits of all credit card and P-card usage to ensure all purchases serve a valid public purpose.
- The policy also requires all officers and staff to immediately report suspected misuse of credit cards and P-cards to the Town Clerk.
- The Town Council shall receive regular written reports on card usage.
- On October 28, 2024, the Town Council adopted its Administrative Operations Policy, which, *inter alia*, provides requirements for travel expenses, including documentation with receipts that must be submitted to the Town Clerk prior to payment.

**Finding 26: The Town had not established policies or procedures to address the personal use of Town motor vehicles and require motor vehicle usage logs. In addition, the Town did not include the value of personal use of Town motor vehicles as compensation in the employee gross income reported to the IRS.**

- The Town of Greenville acknowledges this finding.
- On September 23, 2024, the Town Council adopted its Administrative Operations Policy, which, *inter alia*, addresses vehicle use and fleet management. The policy requires mileage logging and reporting, fuel tracking, and regular inspections to ensure the vehicles are properly maintained.
- The Town Council intends to revise its current Personnel Policy. At this time, the issue of fringe benefits, including but not limited to the use of take-home vehicles, which must be reported to the Internal Revenue Service, will be evaluated.

**Finding 27: Town policies and procedures for establishing and maintaining appropriate controls over capital assets, including tangible personal property, were inadequate.**

- The Town of Greenville acknowledges this finding.
- On September 23, 2024, the Town Council adopted its Municipal-Owned Property and Inventory Management Policy which requires the Town Clerk to oversee the management and control of all municipal-owned property and to maintain an inventory of the same.
- The policy further requires the Town Clerk to oversee an annual physical inventory of all municipal-owned property and to reconcile it with official records.

**Finding 28: Town public records request policies and procedures were inadequate to ensure the timely fulfillment of public records requests.**

- The Town of Greenville acknowledges this finding.
- As the Town Clerk serves as the Town's custodian of records, the prior shortcomings in fulfilling public records were likely due to this position remaining vacant for nearly five years, including the entire audit period.
- On August 22, 2024, the Town Council adopted its Public Records, Record Retention and Disposition Policy, which, *inter alia*, provides detailed procedures for fulfilling public records requests consistent with Chap. 119, *Florida Statutes*.
- The policy clarifies that requests need not be in writing and requires that requests to directed to the Town Clerk, serving as the custodian of records.
- The policy further requires the maintenance of a public records request log, which shall include the subject of the request, the date of the request, the name of the requester (if known), the date of the acknowledgement of the request, and the date of delivery.
- The policy authorizes the Town to charge for copies of public records in accordance with state law and provides a fee structure.

**Finding 29: The Town Hall was not always accessible to members of the public during Town business hours.**

- The Town of Greenville acknowledges this finding.
- Prior to November 2023, the former Town Manager largely worked remotely, which left one employee in Town Hall. If that employee was unable to be present at Town Hall, the public was prevented access to the facility.
- Currently, the Town employees a Town Manager and Town Clerk, both who reside locally and work regularly from Town Hall.
- Since the commencement of the audit, the Town has not closed Town Hall except for weekends, recognized holidays, and emergencies such as extreme weather events.
- On October 28, 2024, the Town Council adopted its Administrative Operations Policy, which, *inter alia*, mandates that Town Hall and municipal facilities be made available to

the public on Monday through Thursday from 8:30 a.m. to 4:30 p.m. and Friday from 8:30 a.m. to 12:30 p.m., excluding recognized holidays.

- The policy also provides for emergency closures and mandates public announcements when such closures occur.

### **INFORMATION TECHNOLOGY (IT) SECURITY CONTROLS AND ANTI-FRAUD POLICY**

**Finding 30: Town controls related to IT application security management needed improvement to ensure that user access privileges are necessary and appropriate, and that employee IT access is promptly removed after separation from employment.**

- The Town of Greenville acknowledges this finding.
- On October 28, 2024, the Town Council adopted its Administrative Operations Policy, which, *inter alia*, regulates technology use and security. The policy requires that the Town Clerk have access to all passwords and login credentials for all Town-provided computers and phones, official email accounts, and websites used for Town business.
- On February 17, 2025, the Town Council adopted its Cybersecurity Policy, which designates the Town Manager as the Information Security Officer (ISO) and establishes procedures for safeguarding the Town's data, information technology, and IT resources.
- The cybersecurity policy mandates the adoption of the Cybersecurity Framework (CSF), adopted by the National Institute of Standards and Technology, which consists of five key functions: (1) identify, (2) protect, (3) detect, (4) respond, and (5) recover.
- The Town acknowledges that the current software used for utility billing is inadequate and requires an upgrade. The current software is not cloud-based, is installed on local computers, and permits access to anyone with access to the computer. While Town staff requires login credentials to access computers, an additional safeguard to prevent unauthorized access to the utility software is necessary.

**Finding 31: The Town's anti-fraud policy could be enhanced to provide for communicating, investigating, and reporting known or suspected fraud.**

- The Town of Greenville acknowledges this finding.
- Town leadership recognizes that the prior Fraud Policy was woefully inadequate and required revisions.
- On September 9, 2024, the Town Council adopted a robust Anti-Fraud Policy, which, *inter alia*, defines fraud and corruption.
- The policy now mandates reporting of fraud by councilmembers, charter officers, employees, and independent contractors. The reports can be made to the Town Manager or through anonymous means.

- The policy requires confidentiality of fraud reports, to the extent possible, and prohibits retaliation against those who make good faith reports of fraud.
- The policy assigns the responsibility of investigating fraud to the Town Manager, except when the Town Manager is the subject of the fraud allegation, at which point the Town Clerk or Town Attorney shall oversee the investigation.
- The policy also subjects those who made fraud allegations in bad faith to disciplinary actions.
- The policy subjects those found to have engaged in fraudulent behavior to disciplinary action, including up to termination and referral to law enforcement for prosecution. The policy also authorizes the Town to seek restitution resulting from fraud.
- The Anti-Fraud Policy is required to be reviewed annually in case updates or revisions are required to reflect changes in laws, regulations, or best practices.

## CONCLUSION

The Town of Greenville acknowledges the findings of the Florida Auditor General's Office and values the recommendations provided. The Town is committed to implementing all corrective measures necessary to achieve full compliance with applicable statutory requirements, ordinances, policies, and recognized best practices. The actions described herein reflect both corrective steps already taken and measures scheduled for completion within established timelines. The Town will continue to monitor progress, document compliance, and make any further adjustments necessary to ensure the effectiveness and sustainability of these reforms, thereby safeguarding public resources and upholding the public trust.