

TOWN OF WHITE SPRINGS

Prior Audit Follow-Up



Sherrill F. Norman, CPA
Auditor General

Council Members and Town Manager

During the period October 2024 through March 2025, the following individuals served as Town Mayor, Vice Mayor, Town Council Member, and Town Manager:

Jacqueline Williams, Mayor

Anita Rivers, Vice Mayor

Kizzy Burch, Council Member

Randolph Williams, Town Council Member through February 28, 2025^a

Jodi Watson, Town Council Member through February 28, 2025^a

Vanessa George, Town Manager

^a Randolph Williams and Jodi Watson were removed from the Town Council effective February 28, 2025, due to their appointments being in violation of the Town Charter, which mandates that certain Council vacancies be filled through a special election.

On April 22, 2025, the Town held both a general election and a special election. The general election was conducted to elect two Town Council Members for 2-year terms, while the special election filled two 1-year term vacancies. Tonja Brown and Cheryl McCall were elected in the general election, and Nicole Williams and Robert Gamsby were elected in the special election. At the organizational meeting on April 24, 2025, Tonja Brown was officially sworn in as Mayor and Nicole Williams as Vice Mayor.

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 Walt Cunningham, 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 or by telephone at (850) 412-2895.

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TOWN OF WHITE SPRINGS

PRIOR AUDIT FOLLOW-UP

SUMMARY

In our operational audit report No. 2024-051 of the Town of White Springs (Town), we noted 16 findings related to various functions and activities. This operational audit focused on the progress that the Town had made in addressing the findings and recommendations in report No. 2024-051.

Our audit disclosed that the Town had:

- Corrected 3 findings (Findings 3, 4, and 5)
- Partially corrected 11 findings (Findings 1, 2, 6, 7, 8, 9, 11, 12, 13, 14, and 16)
- Not corrected 2 findings (Findings 10 and 15)

BACKGROUND

The Town of White Springs (Town), Florida, was incorporated as a municipality in 1885, and the incorporation was legalized in 1903 by the provisions of Chapter 5368 (No. 263), Laws of Florida. The Town is located in Hamilton County and has an estimated population of 731.¹

The Town operates under a council-manager form of government and is governed by five elected Town Council members, each of whom are typically elected but a member may be appointed by the majority vote of the Council members to fill a vacant seat.² All seats on the Town Council are at-large seats, and the Town Council elects a mayor and vice-mayor among itself. The Town Council is responsible for enacting ordinances, resolutions, and policies governing the Town, as well as for appointing the Town Manager. The Town Manager is responsible for the day-to-day management of the Town. The Town provides citizens with the following services: general government; public works; water, sewer and solid waste disposal; and fire rescue. The Hamilton County Sheriff's Office provides law enforcement services for the Town.

¹ *Florida Population Estimates for Counties and Municipalities, April 2024*, Florida Office of Economic and Demographic Research.

² According to Section 2.03, Town of White Springs Charter, "If the election is more than 45 days away, the Council will nominate qualified Town residents and by majority vote of the remaining Council members choose one of the nominees to serve the remainder of the term of the vacated seat." However, "Should two (2) or more vacancies occur simultaneously on the Town Council, the remaining members shall, within fifteen (15) days, call a special meeting to call a special election to fill the vacant Council positions."

FINDINGS AND RECOMMENDATIONS

Finding 1: Financial Condition

Previously Reported

According to the auditor for the 2019-20 fiscal year financial audit, the Town's most recent audit as of July 2023, the Town experienced deteriorating financial conditions. Due to inadequate and incomplete financial records, the Town's financial condition as of March 2023 could not be determined.

We recommended that the Town continue efforts to improve the Town's financial condition.

Result of Follow-Up Procedures

The Town partially corrected this finding. The independent Certified Public Accountant (CPA) who performed the Town's most recent financial audit for the 2023-24 fiscal year, reported in the management letter required by Auditor General rules³ that financial condition assessment procedures were applied, and that no deteriorating financial conditions were noted.

Notwithstanding, using the information reported in the Town's 2022-23 and 2023-24 fiscal year audit reports, we evaluated the Town's financial condition and determined that, predominantly due to operating losses of \$292,558 and \$197,474, the Enterprise Fund net position had decreased by \$283,288 and \$205,417 for those fiscal years, respectively. Although the Enterprise Fund had a positive unrestricted net position of \$112,884 as of September 30, 2024, if net position decreases persist, the Enterprise Fund's financial position will further deteriorate, and the Town may need to use General Fund resources to cover Enterprise Fund deficits.

As discussed in Findings 2 and 5, the Town had taken actions that could potentially improve its financial condition. Specifically, the Town adopted policies to monitor revenues and expenditures and maintain target levels of Enterprise Fund working capital and to improve the accuracy and completeness of its accounting records.

Recommendation: The Town should continue its efforts to improve the Enterprise Fund's financial condition.

Finding 2: General Fund Unrestricted Fund Balance and Enterprise Fund Working Capital Requirements

Previously Reported

Contrary to Government Finance Officers Association (GFOA) best practices, the Town had not, as of March 2023, established General Fund unrestricted fund balance requirements and Enterprise Fund working capital target amounts.

³ Section 10.556(8), Rules of the Auditor General.

We recommended that the Town establish policies to ensure that the General Fund unrestricted fund balance and Enterprise Fund working capital amounts be maintained at acceptable levels consistent with GFOA best practices.

Result of Follow-Up Procedures

The Town partially corrected this finding. On November 1, 2023, the Town adopted a policy⁴ that satisfied Government Finance Officers Association (GFOA) best practices for General Fund minimum unrestricted fund balance⁵ and Enterprise Fund minimum working capital amounts.⁶ Specifically, the policy requires:

- The Town to maintain a minimum of at least 50 percent of the annual General Fund expenditures as reserves to provide financial security and ensure the Town’s ability to manage unforeseen financial challenges.
- The Enterprise Fund to maintain a minimum working capital balance of \$200,000 to ensure operational stability and the capacity to meet ongoing service obligations.

Our evaluation of the Town’s most recent financial audit report for the 2023-24 fiscal year disclosed that the Town maintained an unrestricted fund balance of \$790,770, 93 percent of General Fund expenditures totaling \$853,407, which exceeds the 50 percent threshold required by the policy.

However, during the 2023-24 fiscal year, the Enterprise Fund working capital was an average of negative \$28,182, which was \$117,643 less than the 45-day threshold of \$89,461⁷ recommended by GFOA best practices and \$228,182 less than the \$200,000 required by Town’s policy. Further, as indicated in Finding 1, the Enterprise Fund’s net position decreased significantly in the 2022-23 and 2023-24 fiscal years.

Recommendation: The Town should take appropriate actions to increase the Town’s Enterprise Fund working capital where it can be maintained at acceptable levels consistent with GFOA best practices and Town policy.

Finding 3: Financial Audits

Previously Reported

The Town did not timely provide for and submit required annual audited financial statements and annual financial reports (AFRs) to the Auditor General and Department of Financial Services (DFS), respectively, for the 2018-19 through 2021-22 fiscal years.⁸ Consequently, through September 2023, the Department

⁴ *Town of White Springs Fund Balance Policy.*

⁵ GFOA Best Practice: *Fund Balance Guidelines for the General Fund*, September 2015, recommends at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than 2 months of the regular general fund operating revenues or regular general fund operating expenses.

⁶ GFOA Best Practice: *Working Capital Targets for Enterprise Funds*, February 2011, recommends entities to maintain adequate working capital (the GFOA defines working capital as current assets less current liabilities) and that in no case should the target be less than 45 days’ worth of the fund’s working capital needs.

⁷ Based on the Enterprise Fund’s 2023-24 fiscal year operating expenditures of \$719,619.

⁸ As of July 2023, the audit reports for the 2020-21 and 2021-22 fiscal years had not been filed and were approximately 13 months and 1 month late, respectively. Similarly, as of July 2023, the 2020-21 and 2021-22 fiscal year AFRs had not been filed with the DFS and were approximately 13 months and 1 month late, respectively.

of Revenue withheld from the Town approximately \$49,247 in combined half-cent sales tax and municipal revenue sharing revenues.

We recommended that the Town enhance efforts to comply with State law and ensure that annual financial audit reports and AFRs be timely completed and filed with the Auditor General and the DFS.

Result of Follow-Up Procedures

The Town corrected this finding. The Town filed its 2020-21, 2021-22, and 2022-23 fiscal year financial audit reports with the Auditor General on November 17, 2023, February 16, 2024, and December 13, 2024, respectively. Although these filing dates were 505, 231, and 166 days after the due dates established by State law,⁹ the 2023-24 fiscal year financial audit report was timely filed on June 30, 2025.

The Town filed its 2020-21, 2021-22, and 2022-23 fiscal year AFRs with the DFS on October 6, 2023, February 16, 2024, and December 12, 2024, respectively, or 463, 231, and 165 days after the June 30 due date established by State law.¹⁰ The Town filed its 2023-24 fiscal year AFR on July 14, 2025, 14 days late, which was a significant improvement from prior fiscal years.

Finding 4: Financial Statement Preparation

Previously Reported

For the 2019-20 and 2020-21 fiscal years, the Town’s contracted accounting services were not adequate to ensure that Town accounting records were accurate and timely available for financial statement preparation.

We recommended that the Town contract for specified accounting services necessary to ensure that accounting records are properly prepared and maintained and timely made available to the contracted CPA for financial statement preparation or, alternatively, take appropriate actions to hire, train, develop, and retain staff with the knowledge and capability to produce financial statements in accordance with generally accepted accounting principles.

Result of Follow-Up Procedures

The Town corrected this finding. The Town contracted with a consultant in September 2023 to provide accounting services for the Town. As discussed in Findings 3 and 5, Town accounting records were sufficiently accurate and complete to timely file the 2023-24 fiscal year financial audit report with the Auditor General on June 30, 2025, in compliance with State law.

Finding 5: Accounting Records and Related Controls

Previously Reported

Town accounting records contained numerous significant errors.

⁹ Section 218.39(1)(b), Florida Statutes.

¹⁰ Section 2189.32(1)(d), Florida Statutes.

We recommended the Town establish and maintain a properly designed accounting system and related policies and procedures that require and ensure the accurate and timely recording of all financial activity in the Town accounting records and the maintenance of appropriate supporting documentation.

Result of Follow-Up Procedures

The Town corrected this finding. As discussed in Finding 4, in September 2023, the Town contracted with a consultant to provide accounting services for the Town. Rather than correcting the Town's financial records for prior fiscal years, the consultant corrected the financial statement beginning balances as of October 1, 2023. According to the consultant, doing so provided the Town with a reliable October 1, 2023, starting point for the 2023-24 fiscal year. Our comparison of the Town's accounting records, including the capital assets schedule for the 2023-24 fiscal year to the audited financial statements for the same period, disclosed that the accounting records appropriately supported the audited financial statements.

In August 2025, the Town adopted policies¹¹ that require the Finance Director or consultant to perform end of month and fiscal year accounting record procedures designed to ensure the accurate and timely recording of all financial activity in the Town accounting records and maintain support for the accounting records.

Finding 6: Bank Reconciliations

Previously Reported

Bank account reconciliations were not timely performed, contained errors, and lacked evidence of review.

We recommended that the Town establish appropriate policies and procedures to ensure that bank account reconciliations are properly and timely performed, reviewed, and approved. Such policies and procedures should require that reconciling items be documented and promptly and thoroughly investigated, explained, and resolved and any necessary adjustments to Town accounting records be timely made.

Result of Follow-Up Procedures

The Town partially corrected this finding. In June 2025, we examined Town records supporting 12 monthly statements for two bank accounts active during the period October 2024 through March 2025, including the General Fund and the Enterprise Fund bank accounts, which accounted for most of the Town's financial activities. Our examination of the 12 bank account reconciliations disclosed that, although the reconciling items were investigated and entered into the Town's accounting system, as of July 2025, Town records did not evidence when the reconciliations were performed. Absent such, Town records did not demonstrate that the reconciliations were timely performed. In addition, Town records did not identify the individuals who performed the reconciliations and did not evidence that the reconciliations were reviewed and approved by an individual other than the preparer.

¹¹ *Town of White Springs Accounting Policies and Procedures Manual.*

Absent timely bank reconciliations that clearly indicate who prepared and reviewed and approved the bank reconciliations, there is an increased risk that fraud and errors may occur and not be timely detected. While the Town did not have established bank account reconciliation policies and procedures during the period October 2024 through March 2025, in July 2025, the Town adopted a policy¹² that includes procedures requiring:

- Bank reconciliations be performed within 30 days of receipt of the bank statements.
- Bank reconciliations be performed by someone other than the check signers.
- Reconciling items be documented and investigated.
- Adjustments be made to Town accounting records, as necessary.

Recommendation: We recommend that the Town follow its newly adopted bank account reconciliation policy to ensure that bank account reconciliations are properly and timely performed, reviewed, and approved and that Town records evidence such.

Finding 7: Budgetary Process

Previously Reported

Town controls over the budgetary process needed enhancement.

We recommended that the Town enhance controls over the budgetary process to ensure that:

- Balances are brought forward from prior years and included in the budget.
- The desired legal level of budgetary control is established for Town budgets.
- Town Council-approved budgeted expenditures are properly recorded in Town accounting records.
- Actual expenditures are limited to budgeted amounts as required by State law.¹³
- The Town Manager prepares and provides to the Town Council monthly financial reports reflecting budget-to-actual comparisons and meets quarterly with department heads as required by the Town Charter.
- Budgets are periodically amended to reflect actual revenues and expenditures that significantly differ from budgeted amounts.

Result of Follow-Up Procedures

The Town partially corrected this finding. As previously discussed, the Town contracted with a consultant to provide accounting services to the Town, including services related to the Town's budgetary processes. Our examination of Town records for the 2023-24 fiscal year budgetary process disclosed that:

- The Town brought forward and included in the budget account balances from the 2022-23 fiscal year.
- Actual expenditures were limited to budgeted amounts and no budget amendments were necessary.

¹² Town of White Springs Bank Reconciliation Policy.

¹³ Section 166.241(2), Florida Statutes.

- The consultant prepared and provided¹⁴ to the Town Council monthly financial reports, including budget-to-actual comparisons for the General Fund and Enterprise Fund.

However, the Town did not:

- Record Town Council-approved budgeted 2023-24 fiscal year expenditures in the Town's accounting records, since the format of the budget was not formatted in a manner compatible with the Town's accounting system. Absent controls to ensure that Town Council-approved budgeted expenditures are properly recorded in the accounting records, there is an increased risk that actual expenditures will not be consistent with, or will exceed, approved budgeted expenditure amounts. In September 2025, the consultant indicated that future budgets would be formatted so that the Town can enter them in the Town's accounting records.
- Maintain records demonstrating that the Town Manager met with department heads at least quarterly as required by the Town Charter. Specifically, although we requested, the Town was unable to provide documentation evidencing that the Town Charter-required quarterly budget meetings between the Town Manager and department heads occurred during the period October 2024 through March 2025. In August 2025 the consultant indicated that he met monthly with the former Town Manager¹⁵ and occasionally with other Town personnel to help implement new fiscal policies. The consultant also indicated that the current Interim Town Manager¹⁶ was meeting regularly with the department heads; however, such meetings were not documented. Absent the quarterly budget meetings, there is an increased risk of budgetary overexpenditures, and the Town cannot demonstrate compliance with the Town Charter.
- Adopt policies to establish the legal level of budgetary control, which was presented at the fund level in the Town's 2023-24 fiscal year audit report. Accordingly, it is not apparent how Town personnel and the Town Council could readily determine whether resources were expended within budgeted amounts at the department level consistent with Town Council intent. Although we inquired, Town personnel did not explain why the legal level of budgetary control had not been defined.

Recommendation: We recommend that the Town establish the desired legal level of budgetary control, record approved budgeted expenditures in the accounting records, and that the Town Manager meet quarterly with department heads, as required by the Town Charter, and document such meetings.

Finding 8: Utility Services Billing and Collection Processes

Previously Reported

Town records did not always demonstrate that utility customers were correctly billed for services as required by Town Ordinances.

We recommended that the Town should establish written procedures requiring appropriately designed applications be completed prior to accounts being set up in the utility billing system. In addition, the procedures should ensure that completed applications are maintained to support the fees charged for the services provided, all properties requiring connection to the water and sewer systems are connected, accounts are properly set up in the utility billing system, all accounts are charged at least the minimum

¹⁴ The consultant prepared and provided such reports since the former Town Manager did not have the skills, knowledge, or education to prepare and explain such information to the Town Council.

¹⁵ The former Town Manager separated from employment with the Town in July 2025.

¹⁶ The Interim Town Manager was hired in June 2025.

required fees and as required by Town ordinances, and prompt investigations are conducted for meters with no recorded water consumption. Also, Town personnel should monthly reconcile the garbage contractor's invoices to active billing system account records to ensure that the Town is billing all customers receiving garbage services.

Result of Follow-Up Procedures

The Town partially corrected this finding. Our examination of Town records disclosed that the Town adopted a revenue collection policy;¹⁷ however, the policy did not include procedures for establishing new utility accounts nor the processes for billing utility customers. Although we requested, Town personnel did not indicate when the policy was adopted nor whether they plan to update the policy to address new account procedures and billing processes for utility customers. Notwithstanding the lack of procedures, our examination of the eight new customer accounts during the period October 2024 through March 2025, disclosed that customer applications were submitted and reviewed by Town personnel prior to setting up the accounts in the utility system.

As of March 2025, the Town had 412 utility services customer accounts. To determine whether Town processes related to meter reading, billing, and collection of water, sewer and garbage service fees were operating effectively, we examined records supporting 30 account utility billings from the period October 2024 through March 2025 and totaling \$2,553, not including taxes. Our examination disclosed that the Town charged more than the approved billing rates to some accounts. Specifically:

- 17 wastewater accounts with usage exceeding 1,000 gallons were billed either \$1.16 or \$1.17 above the authorized rate.¹⁸
- 19 water accounts with usage over 2,000 gallons were billed between \$0.27 and \$0.34 above the authorized rate.¹⁹

These accounts were overbilled a total of \$31. In response to our inquiries, Town personnel indicated that bills were generated using rates entered into the billing system; consequently, the incorrect rates were systematically applied to all wastewater accounts with usage exceeding 1,000 gallons per month and all water accounts with usage over 2,000 gallons per month

Additionally, our examination disclosed two other billing errors:

- One account was billed \$24 using the 2024 base wastewater rate rather than the 2025 rate of \$26, and a calculation error in the water usage charge resulted in an underbilling of \$21.
- Another account was billed \$160 for wastewater usage; however, the correct charge should have been \$174 based on actual water usage of 12,360 gallons. Consequently, the account was underbilled by \$14.

In response to our inquiries, Town personnel were unable to explain why these errors occurred.

¹⁷ *Town of White Springs Policy Regarding Deposit and Recording of Revenues.*

¹⁸ Utility rates for the 2022-23 through 2025-26 fiscal years were established by Town of White Springs Ordinance No. 2023-03. The billing differences were calculated by subtracting the minimum fee of \$26.28 for first 1,000 gallons from the minimum fee plus \$12.99 per each additional 1,000 gallons used.

¹⁹ The billing differences were calculated by subtracting the minimum fee of \$23.99 (inside Town) and \$29.98 (outside Town) for first 2,000 gallons from the minimum fee plus \$2.83 (inside Town) and \$3.53 (outside Town) per each additional 1,000 gallons used.

To verify that all connected properties were properly set up in the utility billing system, the Town investigated accounts with records of no water consumption in February 2025, determined the amounts each account owed, and took corrective actions, such as removing broken meters from the property and adjusting inaccurate customer bills. According to Town personnel, monthly readings are conducted from a computer list of active and vacant accounts. In addition, the Utility Clerk periodically creates listings of meters to be removed, vacant accounts, accounts with concerns, and accounts subject to service cutoff or other investigation. However, except for the February 2025 investigation, Town personnel did not document these procedures. Absent documented monthly investigations, there is an increased risk that the Town will bill inactive accounts and not timely cut off delinquent accounts.

In June 2025, the Town personnel reconciled the garbage contractor's invoice to the Town's active billing system to verify that the Town was billing all customers receiving garbage services and found discrepancies. Specifically, the garbage contractor billed the Town a total of \$58,776 for 2,528 residential accounts and 264 commercial accounts, including 52 residential and 4 commercial accounts not included in the Town's billing system during the period October 2024 through May 2025. Town records did not clarify whether the Town failed to bill the 56 customers for garbage collection services received, or if the garbage contractor improperly billed the Town for the collections, resulting in a potential overpayment to the contractor of \$1,198²⁰ for services not rendered. However, according to Town personnel, the garbage contractor overbilled the Town, and as of August 2025, Town personnel were working with the garbage contractor to resolve the discrepancies. Further, Town personnel indicated they will begin performing monthly reconciliations to help identify similar issues in the future.

Recommendation: We continue to recommend the Town establish written procedures requiring appropriately designed applications be completed prior to accounts being set up in the utility billing system. In addition, the procedures should require Town personnel to document all efforts to ensure that properties requiring connection to the water and sewer systems are connected, all accounts are charged the fees as required by Town ordinances, and prompt investigations are conducted for meters with no recorded water consumption and properly documented in Town records. Also, Town personnel should reconcile the garbage contractor's invoices to active billing system account records at least monthly to verify that garbage collection services provided by the contractor are properly billed to all customers receiving garbage services. We also recommend that Town personnel continue efforts to determine whether garbage services to the 56 accounts were improperly billed by the garbage contractor and, if so, attempt to recover the \$1,198 the Town overpaid.

Finding 9: Separation of Duties

Previously Reported

Incompatible duties were not effectively separated among Town personnel and compensating controls did not exist.

We recommended that the Town separate utility billing, collection, and recordkeeping duties to the extent possible by realigning position duties among available administrative staff and the contracted accountant.

²⁰ The \$1,198 represents 52 residential accounts billed to the Town by the garbage contractor at \$21.11 each and 4 commercial accounts billed at \$25.03 each.

Result of Follow-Up Procedures

The Town partially corrected this finding. Our discussions with Town personnel in June 2025, disclosed that the Bookkeeper prepares and sends invoices for water, sewer, and garbage services. However, the Utility Clerk is still responsible for conflicting duties. Specifically, the Utility Clerk continues to collect cash and checks as payment; record payments to customer accounts in the utility billing system; prepare related bank deposits; and deposit the funds into the applicable bank account weekly. Although deposits are recorded in the accounting records by the consultant, because the Utility Clerk maintains control over payment collections, records the payments in the utility billing system, and deposits the funds into the corresponding bank account, she could divert collections for unauthorized purposes without timely detection.

Our follow-up procedures disclosed that, during the period October 2024 through March 2025, the Town experienced significant turnover in key personnel.²¹ Consequently, Town personnel indicated that further separation of duties was not feasible.

Although our examination of utility records did not disclose any significant errors²² or fraud, the inappropriate separation of duties increases the risk that errors or fraud could occur and not be timely detected and resolved.

Recommendation: We recommend that the Town separate utility collection, bank deposit functions, and recordkeeping duties to the extent possible by realigning position duties among available administrative staff and the contracted accountant.

Finding 10: Procurement of Goods and Services

Previously Reported

Town controls over the procurement of goods and services needed enhancement.

We recommended that Town personnel follow established purchasing procedures and ensure that telephone quotes, written quotes, or sealed bids or proposals, be obtained as applicable. In addition, we recommended that the Town enhance the purchasing procedures to ensure that:

- Purchase orders or contracts are used to document the approval of purchases and to clearly establish the rights and responsibilities of the Town and the vendor.
- For expenditures pursuant to a contract, invoices contain sufficient detail to demonstrate compliance with the contract terms and conditions and that Town personnel compare invoice amounts to contract rates and terms and conditions prior to payment.
- Evidence of receipt of goods or services be documented prior to payment.

²¹ The Town Manager and Town Clerk employed during the period of October 2024 and March 2025 separated employment with the Town in July 2025 and April 2025, respectively.

²² Although not monetarily significant to the Enterprise Fund financial activity, numerous instances of errors in utility billings unrelated to separation of duties were noted in Finding 8.

Result of Follow-Up Procedures

The Town did not correct this finding. In December 2023, the Town adopted a policy²³ to require that the receipt of goods and services be documented prior to payment, expenditures paid pursuant to a contract be supported by invoices containing sufficient detail to demonstrate compliance with contract terms, purchase orders or contracts be used for all purchases, and quotes be obtained for expenditures in excess of \$2,500. However, unlike the Town's previous procurement procedures from 2008, which required purchases of \$25,000 or more to be competitively procured using sealed bids or requests for proposals (RFPs), the new policy does not specify when sealed bids or RFPs are required. During the period October 2024 through March 2025, the Town incurred 322 expenditures totaling \$544,594, including 43 expenditures individually exceeding \$2,500²⁴ and totaling \$396,807 for various purposes, such as insurance payments, grant expenditures, water system improvements, and waste services.

Our examination of records supporting the 43 expenditures disclosed that the Town was unable to provide documentation evidencing the use of purchase orders, sealed bids, RFPs, or quotes. In addition, the Town could not provide evidence of receipt of goods and services prior to payment for any of the 43 expenditures nor whether the expenditures were incurred pursuant to a contract. Consequently, Town records did not demonstrate that goods and services were competitively procured and actually received, nor whether the invoiced amounts were in compliance with a contract, if applicable. In addition, without purchase orders, the Town's desired terms and conditions could not be compared with the vendor invoices and, therefore, Town records did not demonstrate that goods and services were obtained in accordance with Town expectations.

According to Town personnel, they chose not to access the former Town Manager's computer, which may include supporting records. In addition, the former Town Clerk and former Town Manager, who separated from Town employment in July 2025 and April 2025, respectively, were jointly responsible for developing the procurement policies and procedures adopted in December 2023.

Absent competitive procurement and clearly defined thresholds for when sealed bids or proposals are required, there is increased risk that the goods and services will not be obtained at the lowest cost consistent with acceptable quality. In addition, without evidence that goods and services were received prior to payment, there is an increased risk that the Town will pay for unsubstantiated or improper expenditures.

Recommendation: We again recommend that Town personnel follow established purchasing procedures and ensure that telephone quotes, written quotes, or sealed bids or proposals, be obtained as applicable. In addition, Town personnel should revise the purchasing policy to clearly define the specific dollar thresholds at which bids or RFPs are required. The Town should also ensure that:

- Purchase orders or contracts are used to document the approval of purchases and to clearly establish the rights and responsibilities of the Town and the vendor.

²³ *Town of White Springs Procurement and Purchasing Policy*, December 2023.

²⁴ The Town of White Springs former *Standard Operating Procedures* (2008) required sealed bids or RFPs for any purchases of \$25,000 or more. However, the *Town of White Springs Procurement and Purchasing Policy* (2023) requires any expenditures in excess of \$2,500 to obtain at least three quotes but does not indicate when a sealed bid or RFP is required.

- **Accounting records document whether expenditures were obtained pursuant to a contract, and if so that invoices contain sufficient detail to demonstrate compliance with the contract terms and conditions and that Town personnel compare invoice amounts to contract rates and terms and conditions prior to payment.**
- **Evidence of receipt of goods or services be documented prior to payment.**

Finding 11: Auditor Selection

Previously Reported

Contrary to State law,²⁵ the Town did not publicly announce RFPs for audit services for the 2019-20, 2020-21, and 2021-22 fiscal year financial audits.

We recommended that the Town ensure and demonstrate that future auditor selections are performed in compliance with State law by establishing an auditor selection committee, publicly soliciting proposals, evaluating proposals based on established RFP criteria, and maintaining all documentation associated with the auditor selection. Additionally, we recommended that the Town ensure that audit services contracts include all required provisions, including a specified contract period and the conditions under which the contract may be terminated or renewed.

Result of Follow-Up Procedures

The Town partially corrected this finding. In July 2024, the Town Council established an Auditor Selection Committee (Committee) composed of three members, including one Town Council Member and two Town residents. According to Town records, the Committee was to select an auditor to conduct the financial audits for the 2021-22, 2022-23 and 2023-24 fiscal years. However, contrary to State law, the Committee did not solicit proposals for an auditor. Rather, in September 2023, without publicly soliciting proposals, the Town engaged the same audit firm contracted to perform the 2019-20 and 2020-21 audits to also conduct the audits for the 2021-22, 2022-23, and 2023-24 fiscal years. The Town approved the audit firm’s “proposal to extend our audit services for an additional three years.” However, insofar as the audit services contract for the 2019-20 and 2020-21 fiscal years did not contain extension or renewal provisions, the Town’s legal authority to extend the contract is not apparent, and the Town did not select audit services in compliance with State law.

The Town issued an RFP for audit services for the 2024-25, 2025-26, and 2026-27 fiscal years with a July 30, 2024, response deadline. However, although we requested in July 2025, Town personnel, the consultant, and the Committee members did not provide any records to indicate advertisement of the RFP, how many responses were received, or evidence Committee evaluation of any responses. According to Town personnel, the individuals involved in the RFP process separated from Town employment prior to the performance of our follow-up audit procedures, and as such, Town personnel were unable to demonstrate any actions taken regarding the RFP.²⁶ As of September 2025, the Town had not selected an auditor for the 2024-25 fiscal year and future audits.

²⁵ Section 218.391(4), Florida Statutes.

²⁶ Our examination of Town records and discussions with Town personnel disclosed that the Auditor Selection Committee did not meet again until June 2025 due, in part, to the February 2025 removal of the Chairman (a Town Council Member) whose appointment to the Town Council violated the Town Charter.

Absent documentation evidencing that requests for audit services for the 2024-25 through 2026-27 fiscal years were publicly advertised and that responding audit firms were evaluated and ranked based upon established factors, such as the ability of personnel, firm experience, ability to furnish required services, and other factors as determined by the Audit Selection Committee, Town records do not demonstrate that audit services were advertised and evaluated pursuant to State law in a fair and equitable manner.

Recommendation: We recommend that the Town’s Auditor Selection Committee select an auditor in compliance with State law by publicly soliciting proposals, evaluating proposals based on established RFP criteria, and maintaining all documentation associated with the auditor selection. Additionally, we continue to recommend that the Town ensure that audit services contracts include all required provisions, including a specified contract period and the conditions under which the contract may be terminated or renewed.

Finding 12: Personnel Policies and Procedures

Previously Reported

Town personnel processes and procedures needed enhancement.

We recommended that the Town Council:

- Adopt a classification and pay plan to establish minimum and maximum salary ranges for all authorized Town positions.
- Establish detailed position descriptions for all Town positions.
- Establish procedures to verify an applicant’s educational and employment history prior to hire.
- Use personal action forms (PAFs) or similar documentation to document authorization for all personnel actions.

In addition, the Town Manager should enhance the *Personnel Policy and Procedures Manual* accordingly.

Result of Follow-Up Procedures

The Town partially corrected this finding. In October 2024, the Town Council adopted a salary schedule for the 2024-25 fiscal year that established the minimum and maximum salary ranges for the Town’s authorized positions with specific changes in salary to be made when the Town adopts the annual budgets. Town personnel also indicated that they updated the *Personnel Policy and Procedures Manual (Manual)* to include positions descriptions. However, we noted that the position descriptions did not include the minimum education and experience qualifications for the positions. For example, the Utilities Director position description simply states the candidate must have experience operating municipal utilities and possess appropriate licenses. Detailed position descriptions that specify minimum education, skills, and experience requirements and actions to ensure that duties assigned to employees correlate with the position descriptions established for their respective positions help ensure that employees have the skills and education necessary to complete the job duties required for their positions and that Town Council and management objectives will be met.

In addition, the Town did not update its *Manual* to establish procedures to verify an applicant’s educational and employment history and did not develop a standard PAF or similar record to document authorization for personnel actions. During the period October 2024 through March 2025, the Town did not hire any

personnel, change any salaries, or make any promotions; consequently, the Town had no opportunity to verify any applicant education and employment history or use PAFs to document any employment actions.

In June 2025, the Town hired an Interim Town Manager. In response to our inquiries, the Town Attorney indicated that background checks were performed for each applicant, and a Council Member researched each applicant's job history. According to the Town Attorney, a Council Member and a Florida League of Cities employee, who has been advising the Town on various matters, were familiar with the job finalists' work; consequently, the Town Council did not think it necessary to perform a more extensive background screening. Although we requested in August 2025, Town personnel did not provide documentation to evidence research and background checks for any Interim Town Manager applicants.

Absent policies and procedures to verify, and document verification of, minimum experience and educational requirements of applicants prior to hiring, there is an increased risk that Town employees may lack the minimum qualifications or necessary knowledge and training to perform job duties. Further, properly approved PAFs or similar documentation, help demonstrate that appointments, salary changes, and other personnel actions, were authorized by Town management, and may assist in resolving employment disputes should they arise.

Recommendation: We continue to recommend the Town Council:

- **Establish detailed position descriptions for all Town positions.**
- **Establish procedures to verify, and document verification of, an applicant's educational and employment history prior to hire.**
- **Use PAFs or similar documentation to document authorization for all personnel actions.**

In addition, the Town should enhance the *Manual* accordingly.

Finding 13: Time and Attendance Records for Salaried Employees

Previously Reported

Employment agreements with certain Town employees did not establish minimum work hours and the Town did not require these employees to provide documentation of time worked, activities performed, or any leave taken.

We recommended that the Town Council establish payroll documentation requirements for salaried positions that require documentation of work effort, such as detailed records of hours worked or activities performed and any leave taken, to ensure the basis for all compensation is documented and consistent with Town Council expectations. In addition, the Town Council should consider amending the Town Manager and Fire Chief employment agreements to include specific job duties and the minimum number of work hours required.

Result of Follow-Up Procedures

The Town partially corrected this finding. In response to our inquiries, Town personnel indicated that a detailed record of hours worked, or activities performed for salaried positions was not established, nor was the Town Manager's employment agreement amended because the Town Council concluded that

the current employment agreement complied with State law, and the agreement terms and Town charter provisions fully outlined the duties of the Town Manager. Notwithstanding the legal sufficiency of the employment agreement, as indicated throughout our report No. 2024-051 and evidenced by the results of our follow-up audit procedures, the former Town Manager did not adequately perform the outlined duties, nor did the employment agreement include established minimum work hours and specific duties to be performed. In response to our inquiries, Town personnel indicated that they were unaware why the employment agreement was not amended to include such information and that the Town Manager's employment terminated in July 2025.

The contract with the Interim Town Manager hired in June 2025 established minimum working hours and specific duties to be performed. Specifically, the contract for the Interim Town Manager indicated that hours of work were Monday through Friday from 8 AM to 5 PM and that he was to attend all Town Council meetings and Town-hosted events.

Town personnel indicated that they did not amend the Fire Chief's December 2022 employment agreement to include the minimum hours to be worked or delineate specific required duties because the Town Charter sufficiently provides the required Fire Chief duties. Notwithstanding, in response to our inquiries, Town personnel indicated that the Town Council, Town Attorney, and Interim Town Manager plan to develop processes for updating employment contracts for salaried staff.

In addition, although Town policies²⁷ require hourly employees to prepare time sheets to document time worked, the Town did not update its policies to require salaried employees, such as the Town Manager and Fire Chief, to prepare time sheets or alternative documentation to record time worked and leave taken since such requirements were not included in their employment agreements. Town personnel indicated that the Town Council considers the time sheets redundant for salaried positions, as the Town Charter already defines the scope of their responsibilities. Notwithstanding, without documentation of salaried employee work effort, such as established work hours and a requirement that employee time worked be documented or activities performed be reported in detail, Town records did not demonstrate the reasonableness of the Town Manager or Fire Chief's compensation based on the expected services, and there is an increased risk that employee services are not being provided consistent with established job responsibilities and Town Council expectations.

Recommendation: We continue to recommend that the Town Council establish payroll documentation requirements for salaried positions that require documentation of work effort, such as detailed records of hours worked or activities performed and any leave taken, to ensure the basis for all compensation is documented and consistent with Town Council expectations. In addition, the Town Council should consider amending the Fire Chief employment agreement to include specific job duties and the minimum number of work hours required.

²⁷ *Town of White Springs Personnel Policy and Procedures Manual.*

Finding 14: Sunshine Law – Public Records Requests

Previously Reported

The Town did not have policies and procedures in place to document that public records requests were timely completed in accordance with State law.²⁸

We recommended that the Town establish written policies and procedures to ensure that public records requests are completed in compliance with the Sunshine Law and Public Records Act. Such policies and procedures require logs be maintained to document each public records request received, requests be promptly acknowledged, requested records be provided within an established time frame, and Town records evidence each request and that the requested records were provided.

Result of Follow-Up Procedures

The Town partially corrected this finding. In January 2024, the Town adopted a policy²⁹ that requires public records requests be timely completed in accordance with State law. However, the policy does not require logs to be maintained to document each request received, that requests be promptly acknowledged, nor specify time frames for requested records to be provided.

To test the timeliness of Town responses to public records requests, in June 2025 we requested all public records request documentation for the period October 2024 through March 2025. Town personnel indicated that any such records would be stored on the former Town Clerk's³⁰ computer and they were unwilling to access the former Town Clerk's computer to locate the records.

In July 2025, the Interim Town Manager located a public records request received in June 2024. However, he did not know whether the request was resolved or if any action was taken to address the request. Consequently, Town records do not demonstrate that public records requests were timely completed in accordance with State law. Failure of the Town to promptly respond to public records requests may subject the Town to penalties or litigation and limits transparency and the public's right to promptly access public records.

Recommendation: The Town should enhance its public records request policy to require logs be maintained to document each request received, require requests be promptly acknowledged, establish a time frame for requested records to be provided, and demonstrate compliance with State law. In addition, we recommend that the Town follow its policy by timely fulfilling public records requests and document such fulfillment.

Finding 15: Records Retention – Town Ordinances and Resolutions

Previously Reported

The Town had not retained comprehensive records of Town ordinances and resolutions, contrary to State law.³¹

²⁸ Section 286.011, Florida Statutes.

²⁹ *Town of White Springs Public Records Request Policy.*

³⁰ The Town Clerk separated from Town employment in April 2025.

³¹ Section 166.041(5), Florida Statutes.

We recommended that the Town maintain an up-to-date and organized repository of ordinances and resolutions, periodically codify the ordinances, and make available for public inspection comprehensive records of ordinances enacted and resolutions adopted by the Town Council as required by State law and the Town Charter.

Result of Follow-Up Procedures

The Town did not correct this finding. As similarly noted in audit report No. 2024-051, contrary to the Town Charter,³² a codification of Town ordinances had not been updated since October 2013. According to Town personnel, the former Town Clerk, who separated from Town employment in July 2025, may have made some efforts to codify ordinances; however, as mentioned in Finding 14, Town personnel were unwilling to access the former Town Clerk's computer. The Interim Town Manager hired in June 2025 indicated that the Town will continue efforts to update and maintain a repository of ordinances and resolutions.

We examined the Town's Web site in July 2025 and found that the Town posted resolutions and ordinances adopted during the period April 2021 through September 2023. However, our examination of Town Council meeting minutes during the period November 2023 through May 2025 disclosed that the Town adopted three ordinances³³ and three resolutions³⁴ during that period, and those ordinances and resolutions were not available on the Town's Web site as of July 2025.

Absent an up-to-date and organized repository of Town ordinances and resolutions and periodic codifications of the ordinances, the Town cannot demonstrate compliance with the Town Charter and State law and may subject Town officials to penalties. In addition, the lack of comprehensive records of Town ordinances and resolutions frustrates the public's access to information about local laws and Town Council actions.

Recommendation: We continue to recommend that the Town maintain an up-to-date and organized repository of ordinances and resolutions, periodically codify the ordinances, and make available for public inspection comprehensive records of ordinances enacted and resolutions adopted by the Town Council as required by State law and the Town Charter.

Finding 16: Anti-Fraud Policies and Procedures

Previously Reported

The Town had not implemented anti-fraud policies and procedures to aid in the mitigation, detection, and prevention of fraud.

We recommended that the Town develop and implement anti-fraud policies and procedures to aid in the mitigation, detection, and prevention of fraud.

Result of Follow-Up Procedures

³² Section 5.01, Town of White Springs Charter, requires the Clerk to keep a record of all ordinances passed by the Town Council.

³³ Town of White Springs Ordinances 24-01 (adopted in May 2024) and 25-01 and 25-02 (adopted in March 2025).

³⁴ Town of White Springs Resolutions 25-01 and 25-02 (adopted in September 2024) and 25-03 (adopted in January 2025).

The Town partially corrected this finding. In January 2024, the Board adopted anti-fraud policies and procedures³⁵ to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations. The policy has 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. However, although the policy states that persons of authority would designate appropriate personnel to investigate potential and actual incidents of fraud, the policy did not identify specific positions or individuals who would conduct the investigations, nor outline specific investigation procedures to be performed when the perpetrator is a member of Town management.

Absent an adequately designed and comprehensive anti-fraud policy, there is an increased risk that potential acts of fraud may not be recognized, appropriately communicated, investigated, and reported to the appropriate authorities for resolution.

Recommendation: The Town should enhance its anti-fraud policy by specifying the positions or individuals responsible for investigating potential instances of fraud and including specific procedures to be performed for instances in which Town management is suspected of fraud.

OBJECTIVES, SCOPE, AND METHODOLOGY

Pursuant to Section 11.45(3)(a), Florida Statutes, we conducted an operational audit of the Town of White Springs (Town) and issued our report No. 2024-051 in November 2023. Pursuant to Section 11.45(2)(j), Florida Statutes, the objective of this audit was to perform, no later than 18 months after the release of that report, appropriate follow-up procedures to determine the Town's progress in addressing the findings and recommendations contained within report No. 2024-051.

We conducted this follow-up audit from May 2025 through September 2025 in accordance with applicable generally accepted government auditing standards. Those standards require that we plan and perform the follow-up 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.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the follow-up audit, weaknesses in management's internal controls; instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The overall objective 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 follow-up 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

³⁵ *Town of White Springs Anti-Fraud Policy.*

our audit; obtaining an understanding of the program, activity, or function; 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 period October 2024 through March 2025, and selected Town actions taken prior and subsequent thereto. Our audit included the examination of pertinent Town records and transactions, inquiry of Town personnel, observation of procedures in practice, and additional follow-up procedures as appropriate. Unless otherwise indicated in this report, records and transactions were not selected with the intent of projecting the results, although we have presented for perspective, where practicable, information concerning the relevant population value or size and quantifications relative to the items selected for examination.

In conducting our audit, we:

- Reviewed applicable laws, ordinances, Town policies and procedures, and other guidelines, and interviewed Town personnel to obtain an understanding of the Town's processes and requirements and to evaluate whether the Town had established effective policies and procedures for selected Town functions.
- 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 included in the scope of this audit.
- Examined Town records and reviewed Town meeting minutes for the period November 2023 through May 2025, to determine whether any construction or electrical projects with estimated or actual expenditures exceeding the thresholds specified in Section 255.20, Florida Statutes, were performed using Town services, employees, and equipment.
- Inquired with Town personnel to determine whether the Town entered into any contracts utilizing the authority granted by a state of emergency declared or renewed on or after July 1, 2021.
- Examined Town records to assess the Town's financial condition as of July 2025, including evaluation of the Town's General Fund balances and Enterprise Fund Working Capital.
- Determined whether the Town had established a policy that established a minimum level of fund balance within 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, 2022-23, and 2023-24 fiscal year financial audit reports and annual financial reports (AFRs) to the Auditor General and the 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.
- Examined selected financial reports and related records, including details of activity for the period October 2023 through March 2025, and corresponding general ledger and detailed subsidiary records, to determine whether the Town's accounting records and reports were complete and accurate.
- Inquired of Town personnel and examined Town records to determine whether adequate internal controls and records had been established to promote accountability for the Town's transactions and events.

- Examined Town records to determine whether monthly bank account reconciliations were timely prepared and contained evidence of review and approval for the seven bank accounts active during the period October 2024 through March 2025. In addition, we examined Town records to determine whether identified reconciling differences were promptly investigated and posted to the Town's accounting records.
- Determined whether the Town prepared and adopted a budget and established the legal level of budgetary control for the 2023-24 fiscal year and whether the budget appropriately included all prior fiscal year ending fund balances and net position balances, as applicable, in accordance with Section 166.241(2), Florida Statutes.
- Examined Town records to determine whether the legally adopted budget for the 2023-24 fiscal year was input into the Town's accounting system to effectively regulate expenditures and expenses.
- Compared the final approved budget for the 2023-24 fiscal year expenditures reported in the Town's accounting records to determine whether expenditures were kept within authorized limits and inquired of Town personnel the causes for any budget over-expenditures.
- Determined whether Town personnel complied with the Town Charter by holding the required quarterly budget meetings and periodically provided budget-to-actual information and other financial information to the Town Council in accordance with the Town Charter and GFOA best practices.
- Examined Town records to determine whether the records demonstrated that all properties requiring connection to the water and sewer systems were connected.
- Examined the applications for the eight utility accounts opened during the period October 2024 through March 2025 to determine whether the applications were complete and appropriately set up in the Town's billing system.
- From the 412 utility accounts active during the period October 2024 through March 2025, we selected 30 accounts for examination to determine whether the account was billed for utilities services in accordance with Town ordinances.³⁶
- Examined Town accounting records to determine whether the garbage contractor's invoices were reconciled to the Town's billing system to ensure that all applicable customers were billed for garbage services during the period October 2024 through March 2025.
- Inquired of Town personnel and examined Town records to determine whether adequate separation of duties had been established to promote accountability for the Town's financial transactions and events.
- From the population of expenditures for the Town totaling \$545,000 for the period October 2024 through March 2025, requested supporting documentation for the 43 expenditures in excess of \$2,500 and totaling \$397,000 to determine whether the Town conducted procurements in accordance with State law, Town ordinances, and Town policies and procedures.
- Examined Town records supporting the acquisition of auditing services for the 2021-22, 2022-23, and 2023-24 fiscal years to determine whether audit services were procured in accordance with Section 218.391(4), Florida Statutes.
- Examined Town records to determine whether the Town created an auditor selection committee in accordance with Section 218.391(2), Florida Statutes.
- Examined Town records and inquired of Town personnel to determine whether the Town had adopted a classification and pay plan to establish salary ranges, established detailed position descriptions for Town positions, established procedures to verify an applicant's educational and

³⁶ Town of White Springs Ordinance No. 2023-03.

employment history, and used personnel action forms or equivalent documentation to evidence authorization for all personnel actions.

- Examined Town records and inquired of Town personnel to determine whether the Town hired any employees during the period October 2024 through March 2025.
- Examined Town records and inquired of Town personnel to determine whether the Town amended its policies and procedures to require documentation of work effort and leave taken for salaried employees.
- Examined Town records and inquired of Town personnel to determine whether the employment agreements with the Town Manager and Fire Chief were amended to include specific job duties and the minimum number of required work hours.
- Inquired of Town personnel and examined Town records to determine whether adequate controls and records had been established to ensure and document all public records requests were timely completed by the Town records custodian in accordance with Section 286.011, Florida Statutes.
- Examined Town records and inquired of Town personnel to determine whether the Town had developed a comprehensive method for codifying Town ordinances, retaining Town ordinances and resolutions, and made such records available for public review.
- Examined Town records to determine whether the Town had adopted anti-fraud policies and procedures to provide guidance for communicating known or suspected fraud to appropriate individuals.
- 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

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.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



TOWN OF WHITE SPRINGS “On the Banks of the Suwannee River”

October 14, 2025

Via Email: flaudgen_audrpt_lg@aud.state.fl.us

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

Re: Town of White Springs –
Response to Auditor General's Follow-Up Audit, Report No. 2024-051

Dear Ms. Norman:

On behalf of the Town Council of the Town of White Springs, attached please find the Town's **comprehensive written response and documentation** addressing all findings identified in the Auditor General's follow-up review.

The attached report details corrective actions taken, policy adoptions, and resolutions enacted by the Town Council as of **October 14, 2025**; and it also serves as the Town's official written response for record purposes.

The Town appreciates the Auditor General's detailed guidance and recognizes the importance of ensuring continuing compliance with all recommendations. The attached response reflects the Town's commitment to transparency, fiscal responsibility, and timely corrective action. Should your office require additional documentation or follow-up verification, the Town will provide such materials promptly.

Thank you for your attention and continued partnership as we strengthen internal controls and improve our governance practices.

Sincerely,

Tonja Brown

Tonja Brown
Mayor, Town of White Springs

Enclosures as stated

Town of White Springs

Audit Finding 1 Response

Finding 1: Financial Condition

According to the auditor for the 2019-20 fiscal year financial audit, the Town's most recent audit as of July 2023, the Town experienced deteriorating financial conditions. Due to inadequate and incomplete financial records, the Town's financial condition as of March 2023 could not be determined.

Corrective Actions to Date:

- Most recent financial audit for the 2023-2024 fiscal year reported no deteriorating financial conditions.
- The Town adopted policies to monitor revenues and expenditures and maintain target levels of Enterprise Fund working capital and to improve the accuracy and completeness of its accounting records.

Result of Follow Up Audit: Partially Corrected

Auditor General's Recommendation: The Town should continue its efforts to improve the Enterprise Fund's financial condition.

Town's Acknowledgment:

The Town acknowledges the Auditor's finding that its Enterprise Fund (water and sewer operations) continues to experience financial strain, with declining working capital and limited reserves. While steps have been taken to improve recordkeeping and financial reporting, long-term structural solutions remain necessary.

Remaining Issues:

- Enterprise Fund operating revenues remain insufficient to cover ongoing operating and maintenance costs, leading to downward financial trend.
- Enterprise Fund reserve levels are not yet built to the target levels outlined in the policy.
- Capital repair and replacement needs (water/sewer infrastructure) create risk of further deterioration.

Town's Actual or Proposed Corrective Action:

Financial Stabilization:

- Review current water/sewer rate structure for sufficiency; conduct a professional utility rate study if not done within the past 5 years.
- Ensure all operational costs, depreciation, and renewal/replacement reserves are considered in rates.

Grants and External Funding:

- Pursue state and federal grant programs for water and sewer system improvements, including:
 - Florida Department of Environmental Protection (DEP) – State Revolving Fund (SRF) Loans and Principal Forgiveness.
 - USDA Rural Development – Water and Waste Disposal Loans/Grants.
 - Community Development Block Grant (CDBG) Program – infrastructure grants for small cities.
 - American Rescue Plan Act (ARPA) / Infrastructure Investment and Jobs Act (IIJA) funds still available through state-administered programs.
- Leverage grants for system modernization (e.g., SCADA, leak detection, energy efficiency) to lower maintenance costs.

Operational Improvements:

- Implement preventive maintenance program to reduce emergency repairs.

Council Oversight:

- The fund balance and working capital policy reviewed, revised, and adopted by council resolution. **[Resolution 2026-04 adopted on October 14, 2025]**
- Quarterly Enterprise Fund financial condition updates to Council (budget-to-actual + working capital trend).
- Develop a corrective action plan if working capital continues to decline.

***** Any quarterly reports noted are due by the regular council meetings in January, April, July, and October of each fiscal year.**

Town of White Springs

Audit Finding 2 Response

Finding 2: General Fund Unrestricted Fund Balance and Enterprise Fund Working Capital Requirements

Contrary to Government Finance Officers Association best practices, the Town had not, as of March 2023, established General Fund unrestricted fund balance requirements and Enterprise Fund working capital target amounts.

Corrective Actions to Date:

The Town adopted a policy that satisfied Government Finance Officers Association (GFOA) best practices for General Fund minimum unrestricted fund balance and Enterprise Fund minimum working capital amounts.

Result of Follow-Up Audit: Partially Corrected

Auditor General's Recommendation: The Town should take appropriate actions to increase the Town's Enterprise Fund working capital where it can be maintained at acceptable levels consistent with GFOA best practices and Town policy.

Town's Acknowledgment:

The Town acknowledges the Auditor's Finding that the absence of formal reserve and working capital policies posed a risk to fiscal sustainability. While draft policy language and initial calculations have been developed, the policies must be formally adopted, consistently applied, and regularly reported to Council.

Remaining Issues:

- Formal policies with numerical targets have not been adopted by resolution.
- Council has not received regular compliance reports comparing actual balances to policy targets.
- No corrective action process exists when balances fall below the targets.

Town's Actual or Proposed Corrective Action:

Policy Adoption:

- Adopt a formal Reserve and Working Capital Policy by resolution. **[Resolution 2026-04 adopted on October 14, 2025]**

- Define numerical targets consistent with Government Finance Officers Association (GFOA) recommendations:
 - General Fund: unrestricted fund balance of no less than three months (25%) of regular operating revenues or expenditures.
 - Enterprise Fund: working capital of at least 45 days of operating expenses ($\approx 12.4\%$).
- Specify permitted uses of reserves and required replenishment methods if balances fall below targets.

Implementation & Monitoring:

- Provide quarterly compliance reports comparing actual balances to adopted targets.
- Maintain quarterly compliance reports for audit review.

Corrective Action Mechanism:

- Require Town Manager to prepare a corrective plan (rate adjustments, expenditure reductions, transfers) if balances fall below the adopted targets.
- Council must approve corrective action plans and monitor implementation progress.

Transparency:

- Publish the adopted policy and quarterly compliance reports on the Town's website.
- Include reserve compliance updates as a standing agenda item for quarterly Council financial reviews.

***** Any quarterly reports noted are due by the regular council meetings in January, April, July, and October of each fiscal year.**

Town of White Springs
Audit Finding 6 Response

Finding 6: Bank Reconciliations

Bank reconciliations were not timely performed, contained errors, and lacked evidence of review.

Corrective Actions to Date:

- Bank reconciliations were performed.
- A Bank Reconciliation Policy was implemented in July 2025.

Result of Follow-Up Audit: Partially Corrected

Auditor General's Recommendation: We recommend that the Town follow its newly adopted bank reconciliation policy to ensure that bank account reconciliations are properly and timely performed, reviewed, and approved and that Town records evidence such.

Town's Acknowledgment:

The Town acknowledges that while reconciliations are now being performed regularly, critical internal control elements remain missing. Specifically, the reconciliations do not document when they were completed, who prepared them, or who reviewed and approved them. The Town recognizes the importance of strengthening its internal financial controls.

Remaining Issues:

- Lack of records capturing when the reconciliation was performed, who prepared them, and who reviewed and approved them.

Town's Actual or Proposed Corrective Actions:

Standardized Reconciliation Form:

- Developed a Bank Reconciliation Cover Sheet to be attached each month, showing:
 - Account name/number, statement ending date.
 - Date reconciliation prepared, name/signature of preparer.
 - Date reviewed, name/signature of reviewer (not the preparer).

Timeliness Requirement:

- Required reconciliations to be completed within 30 days of receiving statements.
- Incorporated this requirement into the Town's written financial procedures.

Reconciling Items:

- Document all outstanding checks, deposits in transit, and other reconciling items.
- Require documentation of resolution (cleared, corrected, or adjusted).
- Adjust accounting records promptly when errors or timing differences are identified.

Compliance Log:

- Maintain a Reconciliation Log listing each account, month, date prepared, and date reviewed.
- Clerk/Finance Officer retains log in binder or secure e-folder for audit review.

Council Oversight:

- Formally adopted a Bank Reconciliation Policy by resolution. **[Resolution 2026-05 adopted on October 14, 2025]**
- Provide quarterly certification to Council that all reconciliations were completed, reviewed, and approved within required timelines.

***** Any quarterly reports noted are due by the regular council meetings in January, April, July, and October of each fiscal year.**

Town of White Springs
Audit Finding 7 Response

Finding 7: Budgetary Process

The Town did not adopt or consistently use a formal budget monitoring system, including quarterly budget review meetings required by the Charter and a clear definition of the legal level of budgetary control.

Corrective Actions to Date:

- The Town contracted with a consultant to provide accounting services to the Town, including services related to the Town's budgetary processes.
- The consultant prepared and provided the Town Council with monthly financial reports, including budget to actual comparisons.

Result of Follow-Up Audit: Partially Corrected

Auditor General's Recommendation: We recommend that the Town establish the desired legal level of budgetary control, record approved budgeted expenditures in the accounting records, and that the Town Manager meet quarterly with department heads, as required by the Town Charter, and document such meetings.

Town's Acknowledgment:

The Town acknowledges the Auditor's Finding and recognizes that it did not maintain records showing compliance with Section 6.09 of the Town Charter, which requires the Town Manager to review quarterly budget reports with department heads. In addition, the legal level of budgetary control was not formally defined by Council, creating gaps in oversight and consistency. The Town recognizes its responsibility to establish a clear legal level of budgetary control to safeguard fiscal accountability while providing reasonable administrative flexibility for day-to-day operations.

Remaining Issues:

- Quarterly budget review meetings between the Town Manager and department heads as required by Charter Section 6.09 were not documented.
- The legal level of budgetary control has not been defined by Council resolution.
- No record of Town Council-approved budgeted 2023-2024 fiscal year expenditures in the Town's accounting records, since the format of the budget was not formatted in a manner compatible with the Town's accounting system.

- No standardized procedure exists for budget amendments, including a clear threshold for Council approval vs. Town Manager authority.

Town's Actual or Proposed Corrective Actions:

- Budget is now formatted in a manner compatible with the Town's accounting system.

Quarterly Budget Review Meetings:

- Charter Section 6.09 requires the Town Manager to review quarterly budget reports with department heads and to advise or be advised of any allotments in danger of being exceeded.
- The Town Manager shall schedule and document quarterly budget review meetings, prepare variance reports, and provide Council with a written summary each quarter.

Legal Level of Budgetary Control:

- Council adopted by resolution that the legal level of budgetary control is established at the fund level. **[Resolution 2026-06 adopted on October 14, 2025.]**
- Transfers between funds require Council approval by resolution regardless of amount.
- Transfers within a fund over \$2,500 require Council approval by resolution.
- The Town Manager may approve intra-fund amendments of \$2,500 or less, provided they are documented and reported to Council at the next quarterly review meeting.

Budget Amendment Documentation:

- All budget amendments must be documented using the Budget Amendment Request Form.
- The form shall specify the source of funds, justification, amount, and indicate whether Council approval is required.

Transparency and Oversight:

- Quarterly variance reports and budget amendment records shall be presented to Council and retained for audit purposes.
- All approved amendments shall be summarized in quarterly financial reports to ensure public transparency.

***** Any quarterly reports noted are due by the regular council meetings in January, April, July, and October of each fiscal year.**

Town of White Springs
Audit Finding 8 Response

Finding 8: Utility Services Billing and Collection Processes

Town records did not always demonstrate that utility customers were correctly billed for services as required by Town Ordinances.

Corrective Actions to Date:

- The Town implemented a revenue collection policy.
- Some reconciliations between billing system and deposits were initiated.

Results of Follow-Up Audit: Partially Corrected

Auditor General's Recommendation: We continue to recommend the Town establish written procedures requiring appropriately designed applications be completed prior to accounts being set up in the utility billing system. In addition, the procedures should require Town personnel to document all efforts to ensure that properties requiring connection to the water and sewer systems are connected, all accounts are charged the fees as required by Town ordinances, and prompt investigations are conducted for meters with no recorded water consumption and properly documented in Town records. Also, Town personnel should reconcile the garbage contractor's invoices to active billing system account records at least monthly to verify that garbage collection services provided by the contractor are properly billed to all customers receiving garbage services. We also recommend that Town personnel continue efforts to determine whether garbage services to the 56 accounts were improperly billed by the garbage contractor and, if so, attempt to recover the \$1,198 the Town overpaid.

Town's Acknowledgment:

The Town acknowledges the Auditor's Finding that the utility billing system was not adequately controlled, which led to discrepancies between billed services, collections, and general ledger records. While some improvements have been made, significant gaps remain in system setup, rate verification, and oversight. The Town recognizes the need to strengthen internal controls, ensure accuracy in billing, and comply with best practices for municipal utility operations.

Remaining Issues:

- Verification of billing rates against Council-approved ordinances.
- Consistent reconciliation of utility billing to the general ledger.

- Reconciliation of garbage billing to vendor invoices (including correction of the \$1,198 discrepancy).
- Use of standardized adjustment and write-off forms.
- Clearer segregation of duties or compensating controls.
- Enforcement of billing system access restrictions.
- Council oversight of adjustments/write-offs above defined thresholds.

Town's Actual or Proposed Corrective Actions:

- Adopted a Utility Billing & Collection Policy with detailed procedures. **[Resolution 2026-07 adopted October 14, 2025.]**
 - Required monthly reconciliations of billing totals to the general ledger, and quarterly reporting to Council.
 - Perform garbage billing/vendor reconciliation monthly, with discrepancies resolved promptly.
 - Adopt and use standardized forms (Rate Verification Checklist, Adjustment Request Form, Garbage Reconciliation Log, etc.).
 - Establish compensating controls for segregation of duties (Town Manager review and certification).
 - Restrict billing system access through unique logins and role-based permissions.
 - Require Council approval of adjustments and write-offs above \$100, as outlined in revised policy.
 - Mandatory Connection Verification
 - Zero-Consumption Meter Investigation
 - Garbage Contractor Oversight and Reconciliation
 - Quarterly Reporting to Council

***** Any quarterly reports noted are due by the regular council meetings in January, April, July, and October of each fiscal year.**

Town of White Springs
Audit Finding 9 Response

Finding 9: Separation of Duties

Incompatible duties were not effectively separated among Town personnel and compensating controls did not exist.

Corrective Actions to Date:

- Bookkeeper now prepares and sends invoices for services.
- Financial Consultant records the deposits into the accounting records.

Result of Follow-Up Audit: Partially Corrected

Auditor General's Recommendation: We recommend that the Town separate utility collection, bank deposit functions, and recordkeeping duties to the extent possible by realigning position duties among available administrative staff and the contracted accountant.

Town's Acknowledgment:

The Town acknowledges the Auditor General's Finding that utility collections, bank deposits, and recordkeeping functions were not adequately separated. Staffing limitations contributed to overlapping responsibilities. The Town recognizes the importance of proper segregation of duties and compensating controls to safeguard Town assets and ensure accountability.

Remaining Issue:

- Collections, deposits, and postings are not yet fully separated.

Town's Actual & Proposed Corrective Actions:

- Adopted a Utility Collections & Cash Handling Policy. **[Resolution 2026-08 on October 14, 2025.]**

Utility Clerk:

- Accepts customer payments (cash, check, card).
- Issues pre-numbered receipts.
- Records payments in the utility billing system.

- Prepares Daily Collections Log and forwards funds and log to Bookkeeper.

Bookkeeper:

- Reviews the Daily Collections Log against receipts.
- Takes deposit to the bank and obtains validated deposit slip.
- Forwards deposit slip and log to the Town Manager.

Town Manager:

- Compares the Daily Collections Log with validated deposit slip.
- Signs Daily Deposit Reconciliation Form to confirm accuracy.
- Posts or reviews posting to the general ledger.
- Performs monthly reconciliation of utility billing system to general ledger.
- Investigates discrepancies, documents corrective actions, and retains records.

Compensating Controls:

- Town Manager performs surprise cash counts quarterly.
- Audit trail reports (adjustments, write-offs, rate changes) generated monthly and reviewed by Town Manager.

***** Any quarterly reports noted are due by the regular council meetings in January, April, July, and October of each fiscal year.**

Town of White Springs
Audit Finding 10 Response

Finding 10: Procurement of Goods and Services

Town controls over the procurement of goods and services need enhancement.

Corrective Actions to Date:

A new Procurement and Purchasing Policy was adopted in Dec. 2023, requiring documentation of receipt, use of contracts or purchase orders, and quotes over \$2,500.

Result of Follow-Up Audit: Not Corrected

The Auditor General recommends that Town personnel follow established purchasing procedures and ensure that telephone quotes, written quotes, or sealed bids or proposals, be obtained as applicable. In addition, Town personnel should revise the purchasing policy to clearly define the specific dollar thresholds at which bids or RFPs are required. The Town should also ensure that:

- Purchase orders or contracts are used to document the approval of purchases and to clearly establish the rights and responsibilities of the Town and the vendor.
- Accounting records document whether expenditures were obtained pursuant to a contract, and if so that invoices contain sufficient detail to demonstrate compliance with the contract terms and conditions and that Town personnel compare invoice amounts to contract rates and terms and conditions prior to payment.
- Evidence of receipt of goods or services be documented prior to payment.

Town's Acknowledgment:

The Town Council is committed to ensuring that all procurement is conducted transparently, fairly, and in compliance with Florida Statutes. Adoption of a strengthened Procurement Policy, compliance forms, and Council oversight will fully correct this finding.

Town's Actual or Proposed Corrective Actions:

- Adopted a fully revised Purchasing and Procurement Policy that establishes clear thresholds for solicitation methods. **[Resolution 2026-09 adopted on October 14, 2025]**
 - Require all contracts to contain clear scopes of work, payment schedules, and deliverables.

- Mandate that the Clerk or Finance Officer compare invoices to contract terms before payment.
- Create a Procurement Compliance Log documenting solicitation method, contract, invoices, and approvals.
- Introduce procurement forms, including: Procurement Checklist, Bid/RFP Tabulation Sheet, and Contract Compliance Review Form.
- Provide annual training for Town staff on procurement compliance requirements.

Town of White Springs
Audit Finding 11 Response

Finding 11: Auditor Selection

Contrary to State law, the Town did not publicly announce requests for proposals for audit services for the 2019-20, 2020-21, and 2021-22 fiscal year financial audits.

Corrective Actions to Date:

In June 2025, an Audit Selection Committee was formed to evaluate proposals and recommend an auditor to the Town Council, as required by law.

Result of Follow-Up Audit: Partially Corrected

Auditor General's Recommendation: We recommend that the Town's Auditor Selection Committee select an auditor in compliance with State law by publicly soliciting proposals, evaluating proposals based on established RFP criteria, and maintaining all documentation associated with the auditor selection. Additionally, we continue to recommend that the Town ensure that audit services contracts include all required provisions, including a specified contract period and the conditions under which the contract may be terminated or renewed.

Town's Acknowledgment:

The Town acknowledges the Auditor General's Finding that, historically, its process for selecting auditors did not meet the requirements of Section 218.391, Florida Statutes. The absence of a formal competitive selection process presented a compliance risk.

Town's Actual or Proposed Corrective Actions:

On September 23, 2025, the Town issued RFP 2025-01 for Professional Auditing Services, establishing a competitive process in compliance with Section 218.391, F.S.

- The RFP includes mandatory evaluation criteria, such as the auditor's qualifications, experience with municipal governments, and cost.
- The Town Council will approve the final selection at a publicly noticed meeting following the Committee's recommendation.
- The Town will follow the process outlined in RFP 2025-01 and Section 218.391, F.S., for all future auditor selections.
- The Town Clerk will maintain documentation of the Committee's scoring, recommendations, and Council action for audit purposes.

- This process ensures full compliance with Florida Statutes and Auditor General requirements for municipal auditor selection.

Town of White Springs
Audit Finding 12 Response

Finding 12: Personnel Policies and Procedures

Town personnel processes and procedures need enhancement.

Corrective Actions to Date:

Salary schedule adopted in Oct. 2024 with minimum and maximum salary ranges; position descriptions added to the Personnel Manual.

Town's Acknowledgment:

The Town acknowledges the Auditor's Finding that its personnel policies remain incomplete. While a salary schedule was adopted and position descriptions were included in the Personnel Manual, the descriptions did not establish minimum education and experience qualifications. The Town further acknowledges that procedures for verifying applicant education and employment history have not been incorporated into the Manual and that a Personnel Action Form has not been developed to document personnel actions. The Town recognizes the need to strengthen its policies to ensure consistent, transparent, and accountable personnel practices.

Result of Follow-Up Audit: Partially Corrected

Auditor General's Recommendation: We continue to recommend the Town Council:

- Establish detailed position descriptions for all Town positions.
- Establish procedures to verify, and document verification of, an applicant's educational and employment history prior to hire.
- Use PAFs or similar documentation to document authorization for all personnel actions. In addition, the Town should enhance the *Manual* accordingly.

Town's Actual or Proposed Corrective Actions:

- Revised the Personnel Policy and Procedures Manual to ensure compliance with state and federal law and HR best practices. **[Resolution 2026-10 on October 14, 2025]**
- Incorporate clear policies for evaluations, recruitment, hiring, promotions, separations, and discipline.

- Add standardized forms: Employee Acknowledgment of Handbook, Performance Evaluation, Disciplinary Action, Personnel Action Form (PAF), and Personnel File Checklist.
- Adopt whistleblower and anti-retaliation protections consistent with state law.
- Established detailed job descriptions with required information.
- Created PAFs and other standardized forms.
- Updated Personnel Policy and Procedures Manual to establish process to verify and document verification of applicant's educational and employment history prior to hire.

Town of White Springs

Audit Finding 13 Response

Finding 13: Time and Attendance Records for Salaried Employees

Employment agreements with certain Town employees did not establish minimum work hours and the Town did not require these employees to provide documentation of time worked, activities performed, or any leave taken.

Corrective Actions to Date:

- Improved documentation of leave requests in some cases.
- Managerial review of hourly staff timesheets implemented.
- Interim Town Manager's Contract included minimum work hours.

Result of Follow-Up Audit: Partially Corrected

Auditor General's Recommendation: We continue to recommend that the Town Council establish payroll documentation requirements for salaried positions that require documentation of work effort, such as detailed records of hours worked or activities performed and any leave taken, to ensure the basis for all compensation is documented and consistent with Town Council expectations. In addition, the Town Council should consider amending the Fire Chief employment agreement to include specific job duties and the minimum number of work hours required.

Town's Acknowledgment:

The Town acknowledges the Auditor General's Finding that historically, salaried employees were not consistently required to submit time or attendance records. Leave balances were not uniformly tracked, and approvals for leave were not consistently documented. Although some improvements have been made, including increased documentation of absences, a formal time and attendance system for salaried employees has not yet been fully implemented.

Remaining Issues:

- No standardized timesheet is in use for salaried employees.
- Leave balances are not tracked in a central log.
- Supervisor approval of salaried employee attendance is not consistently documented.
- No formal Town policy requiring salaried employees to submit weekly timesheets.

- Fire Chief's Contract was not revised to add the recommended provisions for duties and hours.

Town's Actual or Proposed Corrective Actions:

The Town has adopted a revised Personnel Manual that includes a revised section on Attendance and Timekeeping. **[Resolution 2026-10 adopted on October 14, 2025]**

The Fire Chief's Contract was revised to add specific job duties and the minimum number of work hours required. **[Resolution 2026-11 adopted on October 14, 2025]**

Timekeeping Policy:

- Adopted a written policy requiring all employees, including salaried staff, to submit biweekly timesheets.
- Timesheets must reflect hours worked, leave taken, and holidays observed.

Supervisor Approval:

- Town Manager reviews and signs staff timesheets.
- Mayor or designated Council member reviews and signs the Town Manager's timesheet.

Leave Documentation:

- Require use of a standardized Leave Request Form for vacation and sick leave.
- Maintain a centralized Leave Balance Log for all employees, updated weekly.

Compliance & Oversight:

- Ensure alignment with FLSA requirements for documenting work performed by salaried employees.
- Retain all time and attendance records for audit and public record purposes in accordance with State retention schedules.

Town of White Springs

Audit Finding 14 Response

Finding 14: Sunshine Law – Public Records Requests

The Auditor found that the Town did not consistently comply with Florida's Public Records Law (Chapter 119, Florida Statutes). Deficiencies included the absence of a formal written policy, lack of consistent logging and tracking, delays in responding to requests, and insufficient documentation of fees, fulfillment, and denials.

Corrective Actions to Date:

- Improved responsiveness to incoming records requests.
- Discussions held regarding designation of a Records Custodian.
- Exploration of standardized logging procedures.
- The Town implemented a Public Records Request Policy in January 2024.

Result of Follow-Up Audit: Partially Corrected

Recommendation: The Town should enhance its public records request policy to require logs be maintained to document each request received, require requests be promptly acknowledged, establish a time frame for requested records to be provided, and demonstrate compliance with State law. In addition, we recommend that the Town follow its policy by timely fulfilling public records requests and document such fulfillment.

Town's Acknowledgment:

The Town acknowledges the importance of consistent compliance with Florida's Sunshine Law. While responsiveness has improved, the Town has not yet adopted a formal policy or standardized procedures to ensure consistent compliance.

Remaining Issues:

- No written Public Records Policy formally adopted by Council.
- No centralized Public Records Request Log documenting receipt, progress, and fulfillment of requests.
- No standardized forms for intake or cost documentation.
- Lack of consistent communication to requestors during the fulfillment process.
- No written confirmation provided when requests are completed.

Town's Actual or Proposed Corrective Actions:

Policy Adoption:

- Adopted a formal Public Records Policy by resolution, designating the Town Clerk as Records Custodian. **[Resolution 2026-12 adopted on October 14, 2025]**
- Require acknowledgment of all requests within two business days, with logging into a centralized system.

Compliance with Chapter 119, F.S.:

- Commit to full compliance with Florida's Public Records Law, including documentation of fees in accordance with Section 119.07(4), F.S.
- If access is denied, provide a written explanation citing the specific statutory exemption.

Demonstrating Compliance:

- Provide weekly updates to requestors for any request not fulfilled within seven days until the request is complete.
- Upon fulfillment, provide written confirmation that the request has been completed and request acknowledgment from the requestor as to completeness.

Standardized Tools:

- Implemented a Public Records Request Log to document all requests, actions taken, dates, and costs.
- Developed a Public Records Request Form (optional) for intake and a Cost Estimate/Invoice Form for billing where applicable.

Oversight:

- The Town Manager shall review the Public Records Request Log monthly.
- The Council shall receive an annual summary report of public records requests.

Town of White Springs

Audit Finding 15 Response

Finding 15: Records Retention – Town Ordinances and Resolutions

The Town had not retained comprehensive records of Town ordinances and resolutions, contrary to State law.

Relevant Charter Requirements:

- Section 2.07 – Ordinances in General: Requires ordinances to be in proper form, adopted after two readings with notice, executed by the Mayor and Clerk, and recorded in an ordinance book.
- Section 2.11 – Authentication and Recording; Codification; Printing: Requires the Council to codify ordinances at least every 10 years, publish the Code, and maintain ordinances in a form suitable for integration into the Code.

Result of Follow-Up Audit: Not Corrected

Auditor General's Recommendation: We continue to recommend that the Town maintain an up-to-date and organized repository of ordinances and resolutions, periodically codify the ordinances, and make available for public inspection comprehensive records of ordinances enacted and resolutions adopted by the Town Council as required by State law and the Town Charter.

Town's Acknowledgement:

The Town acknowledges that the Charter requires preparation and publication of a general codification of all ordinances and resolutions having the force and effect of law and that the Town's Code has not been comprehensively updated or maintained as required. The Town recognizes that this deficiency affects the accessibility, enforceability, and transparency of its laws and regulations. The Town further acknowledges that past administrative practices did not ensure the authentication and integration of adopted ordinances and resolutions into a formal code of ordinances or the retention of properly executed originals.

Town's Actual or Proposed Corrective Actions:

Past Ordinances & Resolutions

- Conduct a full audit of all ordinances and resolutions adopted since the last codification.

- Authenticate and index each ordinance and resolution in a properly maintained ordinance/resolution book.
- Flag ordinances that appear in minutes but lack required signatures. These will be cured by re-enactment or formal repeal through a curative ordinance process.
- Submit the backlog of ordinances and resolutions to a professional codifier (e.g., Municode) to bring the Town Code current.

Future Ordinances & Resolutions

- All newly adopted ordinances will be executed by the Mayor and Clerk, authenticated, and recorded immediately in the ordinance book.
- The Town Clerk will forward ordinances and resolutions to the codifier on a quarterly basis.
- Each ordinance and resolution will be posted on the Town's website within 5 business days of adoption for public access until codified.
- A physical ordinance and resolution book will be maintained at Town Hall for free public reference.
- The Council will arrange for a general codification of all ordinances at least once every 10 years as required by the Charter.

Demonstration of Compliance:

The Town will demonstrate compliance by adopting a Codification & Public Access Policy, passing a Council Resolution directing staff to complete the backlog codification and establish ongoing procedures, and implementing a curative ordinance process to correct any unsigned or incomplete ordinances discovered during the audit. These actions will ensure full compliance with Sections 2.07 and 2.11 of the Charter and satisfy the Auditor's recommendations. **[Resolution 2026-13 adopted on October 14, 2025]**

Town of White Springs

Audit Finding 16 Response

Finding 16: Anti-Fraud Policies and Procedures

The Town had not implemented anti-fraud policies and procedures to aid in the mitigation, detection, and prevention of fraud.

Corrective Action to Date:

Anti-Fraud Policy adopted in Jan. 2024 with defined terminology, consequences, confidentiality, and corrective actions.

Result of Follow-Up Audit: Partially Corrected

Auditor General's Recommendation: The Town should enhance its anti-fraud policy by specifying the positions or individuals responsible for investigating potential instances of fraud and including specific procedures to be performed for instances in which Town management is suspected of fraud.

Town's Acknowledgment:

The Town acknowledges that while an Anti-Fraud Policy had been adopted, it did not establish a complete structure for reporting, investigation, and documentation of allegations, particularly where allegations might involve senior administrative personnel. The Town recognizes the importance of strengthening internal controls, ensuring independence in investigations, and formalizing reporting and recordkeeping procedures. The Town further acknowledges that clarification was needed regarding the Town Attorney's role and alternate reporting pathways to ensure transparency and accountability.

Town's Actual or Proposed Corrective Actions:

- The Town adopted a revised Anti-Fraud Policy that establishes independent reporting channels, designates the Town Attorney as investigator/advisor, and provides for Council oversight. **[Resolution 2026-14 adopted on October 14, 2025]**
- Reports alleging misconduct by the Town Manager may be made directly to the Mayor and the Town Attorney.
- The revised policy expressly incorporates protections under the Florida Whistle-blower's Act (F.S. 112.3187–112.31895).

- The Town will require annual staff training on the revised policy and documentation of all fraud investigations.