

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED  
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA  
OFFICE OF THE AUDITOR GENERAL**

To the Honorable County Council Members  
of the County of Volusia, Florida:

**Report on the Financial Statements**

We have audited the basic financial statements of the County of Volusia, Florida (the County), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated May 23, 2016. We did not audit the financial statements of the Clerk of the Circuit Court, County of Volusia, Florida which represents ninety-three percent and ninety-six percent of the assets and revenues, respectively, of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Clerk of the Circuit Court, County of Volusia, Florida, is based on the reports of the other auditors.

**Auditors' Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; Chapter 10.550, Rules of the Florida Auditor General; and *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration.

**Other Reports and Schedule**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Passenger Facility Charges Program and Report on Internal Control over Compliance in accordance with OMB Circular A-133, Chapter 10.500 Rules of the Auditor General, and Passenger Facility Charge Audit Guide for Public Agencies; Schedule of Findings and Questioned Costs; and Independent Accountant's Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 23, 2016, should be considered in conjunction with this management letter.

In addition, separate audits were performed on the Halifax Area Advertising Authority, Southeast Volusia Advertising Authority, and West Volusia Advertising Authority, which comprise the nonmajor Convention Development Tax special revenue fund. Management comments in those reports should be considered in conjunction with this management letter.

121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386/257-4100  
Fax: 386/255-3261  
dab@jmco.com

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352/378-1331  
Fax: 352/372-3741  
gnv@jmco.com

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850/386-6184  
Fax: 850/422-2074  
tlh@jmco.com

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## **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No finding or recommendations remain uncorrected from the second preceding fiscal year. The following is a summary of prior year recommendations:

**2014-001 Recording of Claim Expense Recoveries Receivable** – Corrective action taken.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government and component units of the reporting entity is disclosed in Note 1 of the basic financial statements.

### **Financial Condition**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

### **Annual Financial Report**

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the County for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined these two reports were in agreement.

### **Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we noted the following recommendation:

**2015-002 Duplicate Payment of Invoices:** During our audit, we identified 96 group insurance claims invoices that were paid twice between October 2014 and January 2015. An update to the accounting software temporarily allowed the processing of duplicate invoices, though the software error was detected and corrected by management in January 2015. However, the aforementioned 96 invoices, totaling \$20,244 had already been paid twice and the double payments were not detected or corrected by the County's internal controls. Some payees who received the duplicate payments voluntarily repaid the County for the excess payment prior to the duplicate payments being detected by our audit, and management has requested reimbursement from all others. We recommend internal controls related to duplicate invoices continue to be designed to prevent such errors from occurring, but also to detect and correct duplicate payment after the fact should a similar situation occur.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

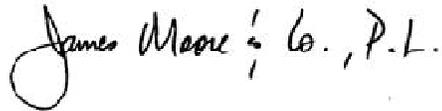
### **County of Volusia, Florida's Response to Findings**

The County's responses to the findings identified in our audit are described in the response as listed in the table of contents. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, County Council, management, others within the County, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daytona Beach, Florida  
May 23, 2016

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.