



# Internal Audit Report

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2023-03 – VOLUSIA FOREVER PROGRAM, FY 2022

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Internal Auditor

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**May 19, 2023**

[volusia.org/government/internal-auditor](https://volusia.org/government/internal-auditor)

## Table of Contents

Audit Letter .....	1
Background .....	2
Scope and Methodologies .....	4
Evaluation .....	5
Findings and Recommendations .....	5
Follow-Up on Prior Audit Recommendations .....	5



**Internal Auditor**

May 19, 2023

Honorable Members of the County Council and County Manager:

I am pleased to present audit report 2023-03 over the Volusia Forever program for fiscal year 2022 (FY 2022). The purpose of the audit was to determine, with a reasonable degree of assurance, that the control environment surrounding the Volusia Forever program is based upon sound business processes and ensures that associated activities are conducted efficiently and effectively while maintaining compliance with relevant laws, rules, and regulations. The audit included a review of minutes, resolutions, financial transactions, and grant awards to organizations.

This audit is in accordance with the *International Standards for the Professional Practice of Internal Auditing*, except for the requirement of an external quality control review. Those standards require that I plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for my findings and conclusions based on audit objectives. I believe that the evidence obtained provides a reasonable basis for my findings and conclusions. The audit was performed in the months of March through May 2023. Svetlana Ries, staff auditor, assisted with the audit work.

I appreciate the assistance of the departmental staff involved that oversee the Volusia Forever program as well as the budget and accounting staff for their support during this audit. All audit reports are available on the County's website at: [volusia.org/government/internal-auditor](https://volusia.org/government/internal-auditor)

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## Background

Volusia Forever is a grass-roots initiative resulting from a citizen-approved referendum passed on November 7, 2000. For 20 years, Volusia Forever helped protect the County's natural biodiversity. Voters renewed it for another 20 years on November 3, 2020. To stretch these dollars as far as possible, Volusia Forever forms partnerships with federal, state, water management district, and local agencies that are committed to protecting natural resources. Approximately 38,000 acres (fee-simple and less-than-fee) have been acquired since the beginning of the program.

Volusia Forever program's mission is to finance the acquisition and improvement of environmentally sensitive, water resource protection, and outdoor recreation lands, and to manage these lands as conservation stewards in perpetuity. Volusia Forever program's goals are, as follows:

- Conserve, maintain, and restore the natural environment.
- Provide access for the enjoyment and education of the public.
- Provide resources to ensure that sufficient quantities of water are available to meet current and future needs.
- Meet the need for high-quality resource-based outdoor opportunities, greenways, trails, and open space.
- Preserve the habitat and water recharge.
- Ensure that the natural resource values of such lands are protected, and that the public has the opportunity to enjoy the lands to their fullest potential.

The Volusia County Council appointed 9 electors as members of the Volusia Forever Advisory Committee by adopting Resolution 2021-11. The resolution outlined the purpose of the board, provided membership criteria, and established requirements and restrictions for goals, meetings, officers, and activities. The Committee must meet at least quarterly to accomplish the issues outlined in the County Council-approved work plan.

The following are the stated purposes of the Committee:

- Review proposed acquisitions and improvements by the Volusia Forever Program and make recommendations to the County Council.
- Review program procedures, guidelines, and criteria established by the County Council for acquiring property utilizing Volusia Forever funds and make recommendations to the County Council for modification.
- Oversee the review of proposed acquisitions and improvements for consistency with the intent and goals established in Resolution 2020-80.
- Assess program priorities and recommend the ranking of properties and projects for acquisition or improvement.

- Make recommendations regarding applications for and participation in federal, state, and district land acquisition and capital improvement grant programs.
- Review and/or assess the land acquisition, water resource protection, forests and farmlands, and outdoor recreation needs of the Volusia County community and make recommendations on how the Volusia Forever program can address them.
- Recommend further evaluation of properties through resource assessments to determine program interest in acquisition or improvement.

In the fall of 2021, the County Council adopted Resolution 2021-134 and established the Volusia Forever program's goals, procedures for selecting and acquiring environmentally sensitive forests and farmland resource-based recreation lands, and site ranking criteria. This resolution also provided for an annual set aside in the amount of 15% of all property taxes, levied under this program, to be transferred to a separate fund for the purpose of land management.

## Scope and Methodologies

On February 7, 2023, the County Council approved the 2023 Audit Plan, which included auditing the Volusia Forever program. Additionally, the November 2020 referendum required an annual audit of the program. The purpose of the audit was to determine, with a reasonable degree of assurance, that the control environment surrounding the Volusia Forever program is based upon sound business processes and ensures that associated activities are conducted efficiently and effectively while maintaining compliance with relevant laws, rules, and regulations.

The audit scope included all transactions within the Volusia Forever program and associated County funds for FY 2022 (October 1, 2021, through September 30, 2022).

Specific audit objectives were:

1. To obtain an understanding of internal controls that are significant to the Volusia Forever Program.
2. To perform procedures that will provide a reasonable assurance of detecting instances of noncompliance with resolutions passed by the Council and guidelines that have been established relating to the Volusia Forever program.
3. To perform procedures that will provide reasonable assurance that revenues received by the Volusia Forever ad valorem taxes were allocated, disbursed, tracked, and reported correctly.
4. To perform procedures that will provide a reasonable assurance that acquisitions through the Volusia Forever program were appropriately approved, acquired, tracked, and ongoing expenditures are appropriate.

This report includes the first year of the additional twenty years, approved by the voter referendum in November 2020. After the referendum, new staff were hired or reassigned from other departments to manage the restructured Volusia Forever funds. The staff are housed in the Resource Stewardship Division. For better expenditures and revenue tracking, the Volusia Forever fund was divided into Land Acquisition, Land Management, and the Barberville Mitigation Tract funds.

In April 2022, County Council approved two separate purchases within the Volusia Conservation and Wildlife Corridor with the St. Johns River Water Management District (SJRWMD). One purchase was a fee simple purchase and the other was a conservation easement within the Palm Bluff Conservation area. Both acquisitions were audited as well as the ongoing land management revenues and expenditures activity. Table 1 includes the total revenues and expenditures as well as the land acquisition costs for FY 22.

Table 1: Test Selection

Category	Total	Total Tested	Percentage Tested
Operating Revenues	\$ 422,575	\$ 350,273	83%
Operating Expenditures	1,922,310	661,401	34%
Land Acquisition Costs	1,711,560	1,711,560	100%

## Evaluation

Based on the results of the audit, internal controls are operating as intended. There were no findings. The prior<sup>1</sup> audit report also did not contain any findings.

## Findings

None.

## Follow-Up on Prior Audit Recommendations

None.

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<sup>1</sup> Internal Audit Report 2022-04 Volusia Forever, [volusia.org](https://www.volusia.org) August 12, 2022.



# Internal Audit

## Our Values and Ethics

### Values

**Public Interest.** Internal audit work is performed to benefit the public and improve the way government operates.

**Integrity and High Ethical Conduct.** Auditors conduct themselves with integrity and honesty, which are the foundations on which trustworthiness is built.

**Objectivity.** Auditors maintain objectivity in performing services.

**Organization and Hard Work.** Auditors endeavor to make efficient use of their time. Valued is a safe work place and one in which we are honored and recognized for our talents and accomplishments. Encouraged are fresh ideas and teamwork among employees and between county government and the community we serve.

**Professionalism and Manner.** Auditors are committed to the highest level of competence and professional conduct. We expect honest and respectful interactions with each other and the public. We handle resources provided, access to information and the position in a professional manner and when appropriate, protect the confidentiality or restricted information our roles may allow us access.

**Auditee Relations.** Auditors make themselves accessible and communicate openly and frequently. Communications are friendly, non-threatening, fair, and objective.

**Audit Reports.** Reports focus on significant, timely, and useful information for our constituents. Audit staff strive to make reports accurate, clear, convincing, objective, fair, and constructive.

**Professional Development.** Auditors strive to improve their knowledge, skills, and abilities through training, work experiences, and related outside activities.

### Code of Ethics

**Integrity.** Establish trust. This provides the basis for reliance on judgment.

**Objectivity.** Exhibit highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. This will make a balanced assessment of all relevant circumstances not unduly influenced by own interests in forming judgments.

**Confidentiality.** Respect the value and ownership of information received and do not disclose information without appropriate authority unless there is a legal or professional obligation.

**Competency.** Apply knowledge, skills and experience needed in performance of internal audit services.

**Producing Results for My Community.** Be informed and knowledgeable. This can produce results my community expects to build trust.

**Treating People Fairly.** Treat people fairly and develop processes and procedures that are fair.

**Diversity and Inclusion.** Embrace diversity and inclusiveness to cultivate and promote policies that reflect the community we serve.

**Reliability and Consistency.** Consistently apply standards and honor the commitment to the community to make it easier to do the right thing even when faced with challenging circumstances.

