



# Internal Audit Report

---

2024-04 – VOLUSIA FOREVER PROGRAM, FY 2023

**Jonathan P. Edwards, CIA, CPFO**

Internal Auditor

123 West Indiana Avenue

DeLand, Florida 32720

**July 26, 2024**

[volusia.org/auditor](https://volusia.org/auditor)

## Report Highlights

### Why We Performed This Audit

The Volusia Forever program is a grass-roots initiative resulting from a citizen-approved referendum passed in 2000 and renewed again in 2020 by Volusia County voters. The program provides funds to finance the acquisition and improvement of environmentally sensitive, water resource protection, forests and farmlands, and outdoor recreation lands and to manage these lands as conservation stewards in perpetuity. The referendum required an annual audit when the Volusia Forever program was renewed in November 2020. During FY 2023, the County acquired 3 properties totaling \$3.6 million, restarted the Small Lot Acquisition Program by acquiring \$38,822 in small properties in various neighborhoods, and expended \$1.8 million in managing the Volusia Forever lands previously purchased.

### What We Found

Auditors tested all three large acquisitions and 51% of the small lot purchases. Additionally, 33% of operating revenues and 34% of the operating expenditures were tested. All tests found no issues with the Volusia Forever Program for FY 2023.

### We Recommend

There were no recommendations in this report.

## Table of Contents

Page 1	Audit Letter
Page 2	Background
Page 4	Scope and Methodologies
Page 5	Evaluation
Page 6	Appendix 1



July 26, 2024

Honorable Members of the County Council and County Manager:

I am pleased to present the audit report 2024-04 over the Volusia Forever program for fiscal year 2023 (FY 2023). The purpose of this audit was to assess, 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.

This audit was conducted 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 the evidence obtained provides a reasonable basis for my findings and conclusions. The audit was performed in the months of April and May 2024. Svetlana Ries, staff auditor, assisted with the audit work.

This audit was successful due to the assistance of the Resource Stewardship Division staff overseeing the program. We appreciate their support. All audit reports are available on the County's website at: [volusia.org/auditor](https://volusia.org/auditor).

A handwritten signature in black ink, appearing to read "Jonathan Edwards", is written in a cursive style.

Jonathan Edwards, CIA, CPFO  
Internal Auditor

## 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 districts, and local agencies that are committed to protecting natural resources. Approximately 56,000 acres are managed either directly or jointly with partner agencies that 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, forest and farmlands, and resource-based 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 sufficient water quantities 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 Volusia Forever Advisory Committee members by adopting Resolution 2021-11. The resolution outlined the Committee's purpose, provided membership criteria, and established requirements and restrictions for goals, meetings, officers, and activities.

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 spring of 2023, the County Council adopted Resolution 2023-77 which updated 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.

Volusia Forever is a willing-seller acquisition program. The County accepts nominations for land acquisition from any government entity, conservation organization, or individual for any property within the County that meets the goals and criteria of the program. Upon nomination and acceptance of the application from the landowner, program staff will visit and review the property. From there, the property is ranked by staff, and the Committee will further rank and vote on the property. Upon acceptance by the Committee, the potential acquisition properties are recommended to the County Council for further consideration and direction. Upon acceptance by the County Council, staff will work with the landowner and various stakeholders to acquire the property. During this time, the County may incur due diligence costs, such as appraisals and environmental studies. If the property passes all due diligence checks and is ready for sale, staff will return all information to the County Council with a recommendation for acquisition approval. Upon final approval by the County Council, staff will move forward with closing the sale.

The Volusia Forever staff developed a transparency dashboard<sup>1</sup> that provides an overview of completed and in-progress projects, funding sources, maps, and progress trackers for conservation, among other features. Through the interactive map, the user can review details of land acquisitions, joint partner information, and acreage by property, among other features.

Valuable information for each property, including acquisition year, price, acreage, and joint partners is available on the dashboard.

Appendix 1 provides financial schedules for Volusia Forever since the reauthorization in FY 2022.

---

<sup>1</sup> Volusia Forever Dashboard. [volusia.org](https://volusia.org)

## Scope and Methodologies

On January 4, 2024, the County Council approved the 2024 Audit Plan, which included an audit of the Volusia Forever program. Additionally, the November 2020 referendum required an annual audit of the program. The purpose of the audit was to assess, 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 funds for FY 2023 (October 1, 2022, through September 30, 2023).

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 reasonable assurance of detecting instances of noncompliance with resolutions passed by Council and guidelines that have been established relating to the Volusia Forever program.
3. To perform procedures that will provide reasonable assurance that revenue received by the Volusia Forever ad valorem taxes was allocated, disbursed, tracked, and reported correctly.
4. To perform procedures that will provide reasonable assurance that acquisitions through the Volusia Forever program were appropriately approved, acquired, tracked, and ongoing land management expenditures are appropriate.

Audit procedures to accomplish these objectives included the following:

- Obtained and reviewed pertinent ordinances, resolutions, policies and procedures, best practices, and other relevant documentation pertaining to the Volusia Forever program.
- Reviewed and understood County internal controls over the Volusia Forever program.
- Interviewed various County staff.
- Reviewed and tested acquisition and land management transactions for compliance with the Volusia Forever program and County policies.

For better expenditure and revenue tracking, during FY 2022, the County divided the Volusia Forever fund into separate funds<sup>2</sup> to separate land acquisition and land management activities. All large acquisitions were selected for testing, and the small lot acquisitions were randomly selected. All other transactions were judgmentally selected. Table 1 provides a summary of test transactions and percentages compared to the activity for the year.

---

<sup>2</sup> Fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. [Government Accounting Standards Board, Cod. Sec. 1300.101]



Table 1: Test Selection

Category	Total Activity	Total Tested	Percentage Tested
Operating revenues	\$ 1,570,229	\$ 515,120	33%
Operating expenditures	2,593,458	894,091	34%
Land acquisitions	3,612,266	3,612,266	100%
Small lot program	38,822	19,777	51%

## Evaluation

Based on the results of the audit, internal controls are operating as intended. There were no findings. The prior audit report<sup>3</sup> also did not contain any findings.



<sup>3</sup> Internal Audit Report 2023-03 Volusia Forever Program, FY 2022, [volusia.org/auditor](https://volusia.org/auditor) May 19, 2023.

## Appendix 1

Appendix 1 provides financial schedules of the Volusia Forever Funds. Volusia Forever activities are separated into two accounting funds for better tracking: the Acquisition Fund and the Land Management Fund. Table 2 provides the operating results for FY 2023 by fund. Table 3 compares the activities by each fiscal year. Table 4 provides a breakdown of acquisitions, easements, and associated due diligence costs since reauthorization in 2020.

Table 2: Fiscal Year 2023 Volusia Forever Funds

	Volusia Forever Acquisition Fund	Volusia Forever Land Management Fund	Combined Volusia Forever Funds
<b>Revenues</b>			
Taxes	\$ 9,423,456	\$ -	\$ 9,423,456
Intergovernmental	4,334	37,305	41,639
Investment earnings	417,918	509,370	927,288
Land management fees	-	212,031	212,031
Land rental fees	-	92,517	92,517
Sale of land, easements, mineral rights	289,513	7,234	296,747
Miscellaneous revenues	-	7	7
<b>Total Revenues</b>	<b>\$ 10,135,221</b>	<b>\$ 858,464</b>	<b>\$ 10,993,685</b>
<b>Expenditures</b>			
General Expenditures			
CRA payments (TIF)	303,413	-	303,413
Commissions to Property Appraiser, Tax Collector, net	237,752	-	237,752
Personnel	167,683	817,415	985,098
Operating	27,070	113,308	140,378
Contracted services	17,594	260,372	277,966
Equipment, vehicles and fuel	6,607	494,432	501,039
Buildings, grounds, and maintenance	7,013	140,799	147,812
Total general expenditures	\$ 767,132	\$ 1,826,326	\$ 2,593,458
Land and easement acquisitions			
Land acquisitions and easements	3,612,266	-	3,612,266
Small lot acquisition program	38,822	-	38,822
Total land and easement acquisitions	\$ 3,651,088	\$ -	\$ 3,651,088
<b>Total Expenditures</b>	<b>\$ 4,418,220</b>	<b>\$ 1,826,326</b>	<b>\$ 6,244,546</b>
<b>Transfers</b>			
Transfer to Land Management Fund for 15% set aside	1,391,784	(1,391,784)	-
Transfer to Insurance Fund for claims	1,241	9,220	10,461
<b>Total Transfers</b>	<b>\$ 1,393,025</b>	<b>\$ (1,382,564)</b>	<b>\$ 10,461</b>
<b>Net Change in Fund Balances</b>	<b>\$ 4,323,976</b>	<b>\$ 414,702</b>	<b>\$ 4,738,678</b>
Beginning Fund Balance	5,117,874	13,035,123	18,152,997
<b>Ending Fund Balance</b>	<b>\$ 9,441,850</b>	<b>\$ 13,449,825</b>	<b>\$ 22,891,675</b>



Table 3: Volusia Forever, Combined Funds, Fiscal Years 2022 and 2023

	FY 2022	FY 2023	Total
<b>Revenues</b>			
Taxes	\$ 8,265,419	\$ 9,423,456	\$ 17,688,875
Intergovernmental	-	41,639	41,639
Investment earnings (loss)	(389,013)	927,288	538,275
Land management fees	308,914	212,031	520,945
Land rental fees	115,791	92,517	208,308
Sale of land, easements, mineral rights	600	296,747	297,347
Miscellaneous revenues	1,021	7	1,028
<b>Total Revenues</b>	<b>\$ 8,302,732</b>	<b>\$ 10,993,685</b>	<b>\$ 19,296,417</b>
<b>Expenditures</b>			
General Expenditures			
CRA payments (TIF)	242,431	303,413	545,844
Commissions to Property Appraiser, Tax Collector, net	140,758	237,752	378,510
Personnel	903,705	985,098	1,888,803
Operating	59,876	140,378	200,254
Contracted services	109,603	277,966	387,569
Equipment, vehicles and fuel	419,820	501,039	920,859
Buildings, grounds, and maintenance	119,513	147,812	267,325
Total general expenditures	\$ 1,995,706	\$ 2,593,458	\$ 4,589,164
Land and easement acquisitions			
Land acquisitions and easements	1,736,186	3,612,266	5,348,452
Small lot acquisition program	-	38,822	38,822
Total land and easement acquisitions	\$ 1,736,186	\$ 3,651,088	\$ 5,387,274
<b>Total Expenditures</b>	<b>\$ 3,731,892</b>	<b>\$ 6,244,546</b>	<b>\$ 9,976,438</b>
<b>Transfers</b>			
Transfer to Barberville Mitigation Tract Fund	706,205	-	706,205
Transfer to Insurance Fund for claims	-	10,461	10,461
<b>Total Transfers</b>	<b>\$ 706,205</b>	<b>\$ 10,461</b>	<b>\$ 716,666</b>
<b>Net Change in Fund Balances</b>	<b>\$ 3,864,635</b>	<b>\$ 4,738,678</b>	<b>\$ 8,603,313</b>
Beginning Fund Balance	14,288,362	18,152,997	14,288,362
<b>Ending Fund Balance</b>	<b>\$ 18,152,997</b>	<b>\$ 22,891,675</b>	<b>\$ 22,891,675</b>

Table 4: Volusia Forever Acquisition and Due Diligence Costs, Fiscal Years 2022 and 2023

<b>Acquisition and Due Diligence Costs</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>Total</b>
<b>Approved Acquisitions</b>			
Russell Conservation easement	\$ 352,967	\$ -	\$ 352,967
Schroeder/Bowman property	1,358,594	-	1,358,594
Volusia Groves and Cattle property	12,650	3,021,386	3,034,036
Doan property	4,850	411,050	415,900
Penland and Pomerence property	25	159,680	159,705
Sternstein property	7,100	-	7,100
Atlantic Center for the Arts property	-	10,150	10,150
Evans property	-	10,000	10,000
<b>Total Approved Acquisitions</b>	<b>\$ 1,736,186</b>	<b>\$ 3,612,266</b>	<b>\$ 5,348,452</b>
<b>Small Lot Program (by Antiquated Subdivisions)</b>			
West Daytona Acres	-	3,124	3,124
Cape Atlantic Estates	-	9,982	9,982
Aurora Heights	-	8,022	8,022
University Highlands	-	17,694	17,694
<b>Total Small Lot Program</b>	<b>\$ -</b>	<b>\$ 38,822</b>	<b>\$ 38,822</b>
<b>Total Acquisition and Due Diligence Costs</b>	<b>\$ 1,736,186</b>	<b>\$ 3,651,088</b>	<b>\$ 5,387,274</b>

Due diligence costs may include expenditures for appraisals and/or environmental studies needed prior to acquiring property. They may also be incurred for properties which may no longer be considered by the Volusia Forever program. All acquisition costs, including due diligence costs, are included in Table 4. Prior financial schedules of Volusia Forever Fund activity from FY 2002 through FY 2021 may be found in the audit report 2022-04 Volusia Forever Program, FY 2021.<sup>4</sup>

<sup>4</sup> Internal Audit Report, 2022-04 Volusia Forever Program, [volusia.org/auditor](https://volusia.org/auditor), 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.

