



## Cover Memorandum/Staff Report

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**File #:** 26-0792

**Agenda Date:** 7/14/2026

**Item #:** 6.L.

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**TO:** Mayor and Commissioners  
**FROM:** Elena Georgiev, Internal Auditor  
**THROUGH:** Terrence R. Moore, ICMA-CM  
**DATE:** July 14, 2026

FOLLOW-UP TO THE AUDIT OF DISBURSEMENTS, OLD SCHOOL SQUARE

**Recommended Action:**

Discussion only.

**Background:**

In August 2025, the City Commission directed the Office of the Internal Auditor to conduct a limited-scope audit of the Downtown Development Authority's (the "DDA") disbursements related to its management of the Old School Square campus. The audit focused on internal controls over the disbursement cycle and whether selected disbursements were authorized, accurate, properly supported, and served a valid public purpose.

The final audit report, Audit of Disbursements, Old School Square, was issued on December 1, 2025. The report identified opportunities to strengthen the DDA's purchasing policy and practices, documentation and expense coding for disbursements, and credit card controls. DDA management agreed with the recommendations and provided an implementation date of March 2026.

At the December 8, 2025 City Commission meeting, the Commission discussed the DDA's funding under the Interlocal Agreement in relation to the audit results and the DDA's planned corrective actions. The discussion resulted in payment dates of December 31, 2025, and April 30, 2026, in connection with the DDA's stated March 2026 implementation timeline. During the discussion, the Internal Auditor stated that standard practice is to follow up on audit findings within 6 to 12 months. Based on the DDA's plan for corrective action, a commitment was made to perform a follow-up in March 2026 to further support the Commission's expectations regarding payments to the DDA.

Following the March 2026 implementation date provided by DDA management, the Office of the Internal Auditor performed a follow-up review to assess the status of the corrective actions taken in response to the audit recommendations. The follow-up report was transmitted to the City Commission on April 24, 2026, and is included with this agenda item for receipt and filing.

The follow-up report stated that the steps taken by the DDA to address the recommendations of the undersigned by developing policies and procedures related to procurement, disbursements, and credit card usage. Management also developed supporting documentation intended to improve consistency and transparency. However, the follow-up report noted that implementation remained incomplete because the controls established were generally high-level and did not consistently define the detailed requirements necessary to ensure uniform application.

Therefore, the follow-up report assessed the recommendations as partially implemented. Areas requiring additional work included clarifying procurement thresholds, documenting vendor selection decisions, addressing broad procurement exceptions, strengthening documentation and retention requirements, defining review and monitoring responsibilities, evidencing training, and improving guidance for credit card and food and beverage expenditures.

**City Attorney Review:**

N/A

**Funding Source/Financial Impact:**

N/A

**Timing of Request:**

N/A