

**CITY OF PAHOKEE
CITY ATTORNEY'S OFFICE MEMORANDUM**

TO: Mayor Babb
Vice Mayor Cowan-Williams
Commissioner McDonald
Commissioner McPherson
Commissioner Scott

FROM: Burnadette Norris-Weeks, Esq., City Attorney

Cc: Tammy Bussey, Interim City Manager
City Clerk

DATE: December 5, 2025

RE: **Audit Report Outstanding Matters**

The purpose of this memorandum is to provide a legal review of the following resolution to be considered at the December 9, 2025, Regular City Commission Meeting:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PAHOKEE, FLORIDA, AUTHORIZING THE CITY MANAGER TO SECURE KRD CONNECT, LLC, ON AN EMERGENCY BASIS, FOR PREPARATION OF POLICIES AND PROCEDURES TO ADDRESS CORRECTIVE ACTIONS REQUIRED BY THE PALM BEACH COUNTY OFFICE OF INSPECTOR GENERAL (OIG) AUDIT 2025-A-0002 AND THE FLORIDA AUDITOR GENERAL OPERATIONAL AUDIT 2025-195, FOR AN AMOUNT NOT TO EXCEED \$10,000.00, IN THE CONTRACT FORM ATTACHED HERETO AS EXHIBIT "A"; PROVIDING FOR ADOPTION OF REPRESENTATIONS; PROVIDING FOR CONFLICT; AND PROVIDING FOR AN EFFECTIVE DATE.

During the City Commission meeting of November 25, 2025, the City Commission generally requested an interview be conducted with the company being recommend by the City Manager, KRD Connect, LLC, and a contract be created to specifically address findings flowing from the Palm Beach County Office of Inspector General (OIG) Audit 2025-A-0002 report, and also a Florida Auditor General Operational Audit Report 2025-195.

The Interim City Manager stated during the November 25, 2025 meeting that two areas should be removed from the contractual requirements with the identified vendor: 1) The Human Resources Policy and 2) the Credit Card Policy.

An analysis of all services that have been incorporated into the Resolution and Agreement are set forth within this Memorandum of the two audit reports.

1) Recommendations of the Palm Beach County Office of Inspector General (OIG) Audit 2025-A-0002

An audit was conducted on the City's accounts payable expenditures and cash disbursements process. The audit focused on accounts payable and cash disbursement activities from 10/1/17 through 6/27/22 and credit card transactions from 10/4/17 through 1/10/23. In short, the OIG found that the City had written guidance in place which established controls over the accounts payable expenditures and cash disbursement process **but there was a lack of knowledge of the responsibilities and requirements at "all levels of personnel."** There was also improper documentation for certain expenditure transactions.

Due to not following the financial requirements, there were overpayments made to contractors and travelers, sales taxes paid to vendors and personal travel expenses for a former City Manager. The OIG report recommended that the city "consider obtaining outside assistance to update and implement the policies and processes outline in the audit recommendations." Comments for each of the recommendation areas are set forth below in **RED**:

- (1) The City follow its Purchasing Ordinance requirements related to purchase orders, purchases exceeding \$10,000, and emergency purchases.**

This recommendation assumes that a policy is in place. Training may be required in order to obtain compliance unless training has already been accomplished.

- (2) The City follow its Purchasing Policy requirements related to approvals, invoice documentation, and receiving reports.**

This recommendation assumes that a policy is in place. Training may be required in order to obtain compliance unless training has already been accomplished.

- (3) The City follow its Credit Card Policy requirements related to receipts, City Commission oversight, and disciplinary procedures for misuse.**

This recommendation assumes that a policy is in place. Training may be required in order to obtain compliance unless training has already been accomplished.

(4) The City update the Purchasing Policy, as follows:

(a) To establish the process for expediting purchases and/or vendor payments.

Will be specified in Agreement.

(b) To align with the Purchasing Ordinance related to emergency purchases.

Will be specified in Agreement.

(c) To align with the Charter's contract/agreement execution requirements.

Will be specified in Agreement.

(d) To align with Section 218.74(1), F.S. related to marking the date of receipt on payment requests and invoices.

Will be specified in Agreement.

(e) To establish the acceptable payment method(s) when purchasing capital assets and IT equipment.

Will be specified in Agreement.

(f) To align with the final implemented Capital Asset Policy related to capitalization thresholds and useful life.

Will be specified in Agreement.

(g) To establish the acceptable payment method(s) for making small purchases.

Will be specified in Agreement.

(h) To establish specific criteria for processing purchases using vendor code 999999 or any other generic vendor code.

Will be specified in Agreement.

(5) The City update the Credit Card Policy, as follows:

~~(a) To establish a review and oversight process for the City Commissioners' and City Manager's credit card purchases.~~

~~(b) To reflect the acceptable (e.g., check issued directly to vendor via accounts payable process) and unacceptable (e.g. credit card or reimbursement) payment method(s) when purchasing capital assets and IT equipment.~~

Based upon the City Manager’s recommendation, this will be accomplished by City staff. Note: there was a related item on the October 2025 agenda, however, it was pulled and has not been resubmitted.

(6) The City update the Travel Policy and related forms, where applicable, as follows:

(a) To align with Section 112.061(7)(d), F.S. related to the current mileage allowance rate.

(b) Replace the term “employee(s)” with “traveler(s)” to encompass all authorized individuals who may incur travel-related expenses for the benefit of the City.

(c) To require that the City Manager submit Travel Request forms for approval by the Mayor or a City Commissioner and update the Travel Policy to reflect the Mayor or a City Commissioner as the designated reviewer.

(d) To establish a review and oversight process for the City Commissioners’ travel and related expenditures.

(e) To establish requirements for the use of rental vehicles including, but not limited to:

- i. Type of vehicle (economy, standard, etc.);**
- ii. Rental agency;**
- iii. Legal requirements (valid driver’s license, insurance);**
- iv. Insurance requirements; and**
- v. Prohibited add-ons or other charges.**

(f) To include a signature line for the Finance Director to document review of the Travel Request and Travel Log forms.

Will be specified in Agreement. Note: The City Clerk will need to verify passage, however, the City Commission considered in 2024 a resolution amending the Per Diem Travel Expense Policy Pursuant to the U.S. General Services Administration (GSA) Rates For Transportation and Meals For City Officials And Employees. Any changes to this section will need to consider that resolution, if passed.

(7) The City update the Personnel Rules & Regulations to align with its Travel Policy related to travel meal per diem rates.

Will be specified in Agreement. Note: The City Clerk will need to verify passage, however, the City Commission considered in 2024 a resolution amending the Per Diem Travel Expense Policy Pursuant to the U.S. General Services Administration (GSA) Rates For Transportation

and Meals For City Officials And Employees. Any changes to this section will need to consider that resolution, if passed.

(8) The City perform a physical inventory of all vehicles and in addition to the unit number, department, description and VIN fields currently in the vehicle listing, include at a minimum:

- (a) Acquisition Date;**
- (b) Purchase price or cost;**
- (c) Custodian of asset;**
- (d) Useful life;**
- (e) Depreciation Method;**
- (f) Accumulated Depreciation; and**
- (g) Condition.**

Will be specified in Agreement.

(9) The City implement a written capital asset policy establishing requirements related to:

- (a) Capitalization thresholds and useful life;**
- (b) Depreciation methods;**
- (c) Type of acquisition (purchase, donation);**
- (d) Asset valuation (initial costs, freight, etc.);**
- (e) Asset tagging procedures; and**
- (f) Custodian and inventory requirements.**

Will be specified in Agreement.

(10) The City implement a written process for recording, tracking, safeguarding, and disposing of its IT equipment.

Will be specified in Agreement.

(11) The City implement a written process for collecting City property from the City Manager, City Clerk, and elected officials upon separation from the City.

Will be specified in Agreement.

(12) The City deactivate inactive vendors.

Will now be specified in Agreement. Responsibility of City only.

(13) The City implement a written process for updating and maintaining the vendor master file, including but not limited to:

(a) Establishing requirements for adding and editing vendor records, including vendor code 999999 or any other generic vendor code.

(b) Ensuring newly created vendor records are reviewed for relevance, accuracy and completeness by the Finance Director or an individual with no responsibilities in the accounts payable process; and that there is an established routine review and purging of the vendor master file to identify and resolve inactive, incomplete, and unauthorized or erroneous vendor records.

Will be specified in Agreement.

(14) The City implement a written process for issuing payments to employees and officials that:

(a) Distinguishes between non-taxable items such as reimbursements and refunds and taxable items such as bonuses, awards, and tuition.

(b) Establishes specific criteria for processing payments using vendor code 999999 or any other generic vendor code;

Will be specified in Agreement.

(15) The City ensure that all employees, contractors, and officials are aware of the requirements and their responsibilities, and confirm in writing an acknowledgment of that understanding with respect to the City Charter, the Purchasing Ordinance, and the updated and newly implemented City policies, including but not limited to the Purchasing Policy, Credit Card Policy, and Travel Policy.

Training is required in order to obtain compliance with this recommendation.

(16) The City ensure that current versions of the City’s written guidance, including but not limited to the Purchasing Ordinance, Purchasing Policy, Credit Card Policy, and Travel Policy and related forms are accessible to all employees and officials in a centrally located depository, and that all employees and officials are made aware the location.

This is a City responsibility and will not be included within Agreement.

(17) The City consider recouping identified costs, totaling \$18,156.96, including:

(a) Overpayment of contracts to vendors, totaling \$14,337.48.

(b) Payment of former City Manager, Chandler Williamson’s, Benedict College homecoming weekend travel expenses, totaling \$1,720.96.

(c) Sales taxes paid to vendors, totaling \$1,261.52.

(d) Overpayment of travel expenditures (i.e., incorrect meal per diem, incorrect mileage, disallowed fuel reimbursement, and disallowed meal purchases on the City credit card) to travelers, totaling \$837.00.

This will not be included within Agreement. Note: the statute of limitations has run on items, but the City could pursue writing letters to request recovery of expenses. The State Attorney has declined to press charges against former City Manager.

(18) The City consider paying the travel underpayments totaling \$1,120.00.

This will not be included within Agreement.

(19) The City develop and implement written IT policies and procedures to ensure consistency of operations that provide guidance, at a minimum, for how to:

(a) Assign and remove user rights and include a reasonable time for completion, (b) Authorize user access,

(c) Limit system access requiring unique user IDs and passwords, and

(d) Provide for user change management (new and terminated employees).

Will be specified in Agreement.

2. FLORIDA AUDITOR GENERAL OPERATIONAL AUDIT 2025-195,

An audit of the City of Pahokee was conducted by the State of Florida Auditor General. The report was focused on selected practices, procedures, and activities, including those related to marina and campground improvements and repairs and financial reporting as follows:

Finding 1: The City lacked policies and procedures sufficient to provide reasonable assurance of compliance with grant terms and conditions, such as completion of grant deliverables, expenditure of grant moneys only as specified in the grant agreement Scope of Work, maintenance of grant-required documentation, and proper accounting for grant-funded property.

Will be specified in Agreement that “Contractor shall create policies and procedures for completion of grant deliverables, expenditure of grant moneys only as specified in the grant agreement Scope of Work, maintenance of grant-required documentation, and proper accounting for grant-funded property.”

Finding 2: The City did not competitively select construction services in accordance with State law, City ordinances, and City policies and procedures. In addition, the City did not take prompt action to initiate projects necessary to protect public health, safety, and welfare.

This will not be included within Agreement. This statement involves an action taken at a certain time when policies and procedures were in place but not followed.

Finding 3: City did not expend grant moneys in accordance with City ordinances.

See finding #1 under this section. Grant policies and procedures will be incorporated within Agreement Scope of Work.

Finding 4: The City had not established policies and procedures to properly maintain and monitor leased sovereign submerged lands and the structures and equipment thereon.

Will be specified in Agreement.

Finding 5: The City had not established procedures to adequately monitor compliance of the marina restaurant sublease terms and did not take appropriate actions when the restaurant closed. In addition, the City is foregoing potential revenue and tourism by not taking actions, of record, to locate another restaurant operator.

Will be specified in Agreement.

Finding 6: Contrary to State law, the City did not timely file financial audit reports and annual financial reports with the Auditor General and the Florida Department of Financial Services.

Will not be specified in Agreement.

Finding 7: The City did not ensure timely preparation of annual financial statements in accordance with generally accepted accounting principles.

Will not be specified in Agreement.

Finding 8: Contrary to State law and City policies, the City had not established an auditor selection committee and did not use a competitive process to select its financial statement auditors.

This item has been rectified and does not require specific action at this time.

Finding 9: The City had not established comprehensive policies and procedures for the mitigation, detection, and reporting of suspected or known fraud.

Will be specified in Agreement.

Conclusion

This Memorandum is intended to assist with your interview and review process. If approved, the City would enter into an agreement for services with KRD CONNECT, LLC. This limited liability company is owned by Kametra Driver and the company is based in Florida City, Florida. The company filed annual reports with the Florida Division of Corporations in 2024 and 2025.

To address the findings from the audit reports stated above the skill sets necessary may include: 1) a person/company with extensive knowledge of financial regulations and auditing standards; 2) a person/company capable of analyzing the audit findings and ensuring compliance with accounting principles and practices; 3) a person/company who specializes in evaluating internal controls, who can provide insights on improving processes to prevent future issues; 4) a risk management Consultant/Contractor; 5) a person/company capable of providing training to City staff and elected officials on issues identified that are in need of compliance.

Please contact me if you have questions.

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