

# Memorandum



To: Mayor and City Council

From: Tom Abbate, City Manager

TAA

Date: March 13, 2026

Re: Management Response to City Audit Recommendations

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Department: Public Works

Audit: Water Resources Field Operations - Misappropriation of City Funds Audit Review

Audit Report Date: March 12, 2026

## Executive Summary

This memo serves as the management response to the March 12, 2026, audit report recommendations regarding the allegations of Misappropriation of City Funds and Unauthorized Personal Use of City Property by Former Water Resources Field Operations Superintendent Jeffrey “Jeff” Wayner during his employment with the City of Titusville.

The Field Operations Division is staffed by approximately 40 city employees and is tasked with the maintenance of 450 miles of water and sewer lines that comprise the city’s water distribution system. In addition, they maintain over 120 lift stations and other supporting facilities, vehicles and equipment. As Field Operations Superintendent, Mr. Wayner was the division’s senior manager and responsible for the overall administration and operation of this division.

Our City Auditor investigated the initial allegations of wrongdoing by Mr. Wayner, and as the audit investigation progressed, expanded the scope of her investigation to address not only missing/unaccounted for property, but findings of fraudulent conduct, deficiencies in asset management, procurement card controls, workplace climate and other areas which have been brought to management’s attention.

## Management Responses by Recommendation:

### Audit Recommendations Section 1:

- 1.1 The Division should implement improved tracking and periodic inventory of small tools and equipment to ensure City assets are properly safeguarded and used for official purposes.  
**Public Works will implement an inventory tracking system to track small tools with a value between \$1,000.00 and \$5,000.00. The responsibility for maintaining the inventory system will be assigned to respective division managers.**
- 1.2 Strengthen inventory verification and physical security of all City assets.

**All inventoried items shall be tracked and assigned to staff by the division manager responsible for that equipment. All items will be stored within locked equipment or buildings. Staff access will be determined by respective division managers.**

- 1.3 Require that purchases of tools, equipment, and machinery, \$1000.00 and over, be logged into the City's asset tracking system upon receipt.

**Noted in management response 1.1**

- 1.4 Require dual supervisory approval for all P-card purchases of equipment or tools exceeding \$1000.00.

**Will review feasibility of this recommendation considering staffing and operational constraints.**

- 1.5 Mandate that all city-purchased items be delivered only to designated city addresses and verified upon receipt.

**All deliveries shall be received and signed for by staff at city-owned addresses unless approved by Department Director for an on-site delivery. Strict enforcement of this recommendation will be required by all staff with procurement authorization.**

- 1.6 Ensure supervisory review of all department-owned property and periodic audits by Procurement and/or Finance and Internal Audit.

**All inventory logs and supporting documents will be made available for annual review, and random unscheduled reviews by City Auditor and/or Finance as deemed necessary.**

#### **Audit Recommendations Section 2:**

- 2.1 Continue coordination with law enforcement and the State Attorney's Office to ensure prosecution and restitution.

**Charges have been filed against Mr. Wayner, and the State Attorney's Office is prosecuting this case with an arraignment scheduled for mid-March. The City will work with the State Attorney's Office to request restitution of misappropriated funds and resources.**

- 2.2 Implement mandatory annual ethics and fraud awareness training for all employees and supervisors.

**City will require all employees to have annual ethics and fraud awareness training. Human Resources will ensure ethics and fraud awareness training is developed prior to the end of FY 26 and implemented in FY 27.**

- 2.3 Develop and promote a confidential fraud reporting hotline to encourage early detection and to try to prevent similar incidents in the future.

**Efforts are already underway to implement a fraud hotline. City is benchmarking other municipalities with similar hotlines to ensure best practices are followed.**

- 2.4 Strengthen enforcement of disciplinary actions for falsification, misuse, or concealment of City property.

**Current disciplinary policies and procedures will be reviewed with the intent of improving enforcement of fraud, waste and misappropriation of City property infractions.**

#### **Audit Recommendations Section 3:**

- 3.1 Cost Recovery - Seek full reimbursement for all City-paid labor, equipment rental costs, and any related expenses incurred because of the unauthorized sewer lateral work performed at the private residence. Implement mandatory annual ethics and fraud awareness training for all employees and supervisors.

**Noted in management response 2.1 and 2.2. Management will seek restitution as provided by law for expended city resources incurred by the unauthorized use of city staff and equipment for personal use.**

- 3.2 Legal and Law Enforcement Coordination - Continue coordination with the City Attorney and the Titusville Police Department to evaluate potential violations of Florida Statute §112.313(6) and any other applicable laws. Strengthen enforcement of disciplinary actions for falsification, misuse, or concealment of City property.

**Noted in management response 2.1 and 2.4**

- 3.3 Equipment and Resource Oversight - Strengthen controls over the use of City-owned and rented equipment, including improved monitoring of billing codes, equipment deployment, and offsite usage.

**Public Works Supervisors will coordinate with procurement and administrative staff to implement improved monitoring internal controls of city-owned and rented equipment.**

- 3.4 Reinforce ethics, fraud awareness, and City policy training for all employees and supervisors, emphasizing the City's zero-tolerance policy regarding fraud and misuse of public resources.

**Noted in management response 2.2**

- 3.5 Reporting and Whistle-blower Awareness - Reinforce employee responsibilities to report suspected policy violations or unethical conduct through established reporting channels without fear of retaliation.

**Will be incorporated in annual ethics and fraud awareness training as noted in management response 2.2.**

#### **Audit Recommendations Section 4:**

- 4.1 Conduct a Comprehensive Physical Inventory and Reconciliation - Perform a complete physical inventory of all capital and tangible assets assigned to the Division and reconcile the results to the Finance Capital Asset Schedule and the BS&A Fixed Asset Software Application. Discrepancies should be investigated, documented, and resolved in a timely manner. Assets determined to be missing should be reported and processed in accordance with City policy.  
**City will create a new position as City-wide Asset Manager by reprogramming an existing position. This position will report directly to the Assistant City Manager and will oversee the city's entire physical asset inventory and will have authority to correct the existing inventory as required.**

- 4.2 Correct and Update Official Capital Asset Records - Ensure that all assets identified during the audit that are not currently recorded are properly capitalized, recorded, tagged, and assigned to the department responsible. Assets confirmed as disposed, surplus, or no longer in service should be removed from the system with appropriate documentation and approval in accordance with City policy.

**The City Asset Manager will be tasked with this function and will coordinate with the respective department managers to ensure the updating and identification of all city assets subject to periodic audits and verification.**

- 4.3 Establish Centralized Oversight of Asset Management - The City should designate a centralized asset management function or assign a Citywide Asset Manager responsible for oversight, monitoring, and independent verification of departmental asset records. Department level tracking should not serve as the sole control method.

**Noted in management response 4.1**

- 4.4 Strengthen Tagging, Tracking, and Transfer Controls - A centralized asset tracking system should be considered which ensures consistent documentation, tagging, and physical verification of assets. All capital and tangible assets meeting policy thresholds should be tagged upon receipt and entered into the fixed asset system prior to being placed into service. Asset transfers between departments should continue to require documented authorization and system updates to reflect the new custodian and location.

**Will be implemented in FY 26.**

- 4.5 Annual Certification of Inventory - Require department directors to certify their inventory annually affirming asset records are complete, physically present and being used for City business.

**City Asset Manager will work with respective departments to conduct annual inventory and verification of city assets and applicable records.**

- 4.6 Implement Periodic Independent Verification Procedures – Finance, with the assistance of the departments, should (at least annually) conduct an independent physical verification of capital assets. Results should be documented and retained for audit purposes.

**City Asset Manager will be tasked with this responsibility for city-wide implementation.**

- 4.7 Improve Oversight and Training - Require all department heads and custodians to receive mandatory annual training on asset management policies, including accountability procedures, fraud awareness, and the ethical use of city property.

**Noted in numerous management responses. Concur with audit recommendation.**

**Audit Recommendations Section 5:**

- 5.1 Reassess the \$5,000.00 small dollar purchasing threshold and consider reducing it to the previously recommended \$2,500.00 level or determine an appropriate level based on internal control environment and risk tolerance.

**The City's P-Card purchasing policy will be immediately updated to reflect a decrease in the \$5,000.00 threshold to \$2,500.00. The City Manager may, on a by exception basis, authorize Department Heads to utilize P-cards up to the \$5000.00 limit when deemed in the best interest of the city based on emergent operational needs.**

- 5.2 Mandate Purchasing Department Reviews – Purchasing Department conducts monthly or quarterly reviews of P-card activity as a preventive control focusing on high dollar items, tools and equipment. This audit should be completed as a preventive measure prior to the Internal Auditors Procurement Card Audit.

**Purchasing and Contracting Division will coordinate with the City Auditor and Asset Manager to review P-card activity on a mutually agreeable schedule. The Purchasing and Contracting Division shall maintain a master listing of all existing card holder limits and usage activity subject to independent audit examination on demand.**

- 5.3 Update P-card procedures to require documentation of business purpose and justification for all purchases, regardless of dollar amount.

**Purchasing and Contracting will revise P-Card procedures appropriately.**

- 5.4 Flag purchases that may meet asset capitalization or tracking thresholds.

**Will be monitored by both division managers and City Asset Manager.**

- 5.5 Continue to provide refresher training for all cardholders on proper use, documentation, and disciplinary consequences for misuse.  
**Concur. Refresher training is conducted periodically and will continue.**
- 5.6 Establish role-based single-transaction limits aligned with job responsibilities.  
**Single-transaction limit of \$2,500.00 will be enforced by division managers as appropriate.**
- 5.7 Restrict single-transaction limits of \$5,000.00 or greater to positions with documented operational need.  
**Noted in management response 5.1**

#### **Audit Recommendations Section 6:**

- 6.1 Improve Cross Department Communication - Develop clear communication and documentation procedures to ensure consistent and accurate case records.  
**When an internal audit warrants, City Auditor and Police should work in tandem to ensure audit findings leading to law enforcement involvement are conducted in a collaborative manner that accentuates the professional expertise of each.**
- 6.2 Provide Refresher Training - Deliver targeted training for reporting officers and supervisors on documentation accuracy, internal control importance, and the impact of incomplete records on case integrity.  
**Training regarding the role, responsibilities and procedures of the City Auditors' office will be arranged with the appropriate Police Investigation staff.**

#### **Audit Recommendations Section 7:**

- 7.1 Prohibit departments or employees from independently transporting scrap metal to recycling vendors.  
**This prohibition is already in effect and will be reinforced for compliance by division managers.**
- 7.2 Reinstate independent oversight of all scrap metal pickups, including verification of weights and direct receipt of weigh tickets and funds by Purchasing with Internal Audit oversight.  
**Vendor scale invoices will be reviewed by the requesting division to ensure the approximate weight leaving the city facility or site is received by the vendor.**
- 7.3 Maintain a scrap disposal log documenting material type, date, weight, revenue received, and account credited.  
**Division manager will maintain a scrap disposal log as noted.**
- 7.4 Conduct periodic unannounced inspections of scrap accumulation areas.  
**The City Auditor and Asset Manager will conduct informal and unscheduled inspections of the scrap metal area as deemed necessary and shall be granted full access to all areas and records on demand.**
- 7.5 Consider engaging an independent forensic auditor to quantify potential historical losses and assess systemic control failures.  
**Staff will coordinate with City Auditor to determine the feasibility and scope of a third party, independent audit of the scrap metal program.**
- 7.6 Provide mandatory training to department leadership and staff regarding surplus property laws, scrap disposal procedures, and fraud reporting requirements.  
**Developing a training program to address this issue will be assigned to the City Asset Manager.**

**Audit Recommendations Section 8:**

- 8.1 Strengthen Whistle-blower and Reporting Protections - The City should reinforce employee awareness of reporting protections under the Florida Whistle-blower's Act and ensure employees understand that retaliation for reporting misconduct or violations of law is prohibited. The City should communicate these protections through policy reminders, employee training, and regular internal communications.  
**This topic will be addressed in the annual ethics and fraud awareness training.**
- 8.2 Reinforce City Policies Regarding Professional Conduct - The City should ensure that all supervisors and employees receive training on the standards of conduct and workplace expectations outlined in the City of Titusville Personnel Policy, including policies prohibiting harassment, intimidation, discrimination, and retaliation.  
**Concur. City employees at all levels of management and supervision are required to be aware of, adhere to, and enforce the standards of conduct and workplace expectations outlined in the City of Titusville Personnel Policy and Executive Team Leaders shall ensure these policies are enforced throughout their respective areas of responsibilities.**
- 8.3 Provide Management and Leadership Training - Supervisors and Managers should receive training focused on:
1. Professional workplace behavior and respectful communication
  2. Effective supervision and employee engagement
  3. Conflict resolution and workplace conduct expectations
  4. Legal and policy requirements related to harassment, retaliation, and discrimination
- Noted. Human Resources and Executive Leadership Team Members are tasked with carrying out this training.**
- 8.4 Improve Confidential Reporting Channels - The City should evaluate and strengthen confidential reporting options available to employees, including direct access to Human Resources, Internal Audit, or an independent reporting mechanism (such as an ethics or fraud hotline), to ensure employees have multiple avenues to report concerns outside the chain of command.  
**Noted in previous management responses and will be implemented through fraud hotline, access to Human Resources and City Auditor among other venues to avoid fear of retaliation from immediate superiors or others in chain of command.**
- 8.5 Conduct Periodic Workplace Climate Assessments – Human Resources and Management should periodically assess employee workplace culture and morale through confidential surveys or interviews to identify ongoing concerns and measure improvement over time.  
**Human Resources will accelerate current efforts at assessing workplace climate and culture and provide training to senior management through outside, third party entities as an integral part of leadership training throughout the city organization.**
- 8.6 Ensure Adequate Tools, Equipment, and Compensation Practices - Review tool and equipment availability and ensure employees are not required to incur personal expenses to perform job duties.  
**In progress within Field Operations and other Public Works Divisions. The City provides adequate tools, equipment and compensation for employees. This incident relates to the practice of a former manager and is not indicative of a city-wide practice that denies employees the tools and resources to complete their assigned duties.**
- 8.7 Communicate Leadership Commitment to Ethical Workplace Standards – Executive Leadership should clearly communicate expectations regarding professional workplace conduct and

emphasize that retaliation, harassment, intimidation, or misconduct will not be tolerated. Leadership should also communicate the importance of maintaining a safe environment where employees can report concerns without fear of retaliation.

**This is a basic tenet of good leadership and required of each and every member of the city's Executive Leadership Team. These fundamentals should be reinforced on a routine basis by all team leaders throughout the organization.**

#### **Audit Recommendations Section 9:**

- 9.1 Immediate Removal of Personal Property - Require the immediate removal of all non-City property stored at City facilities.  
**The City has already demanded the removal of personal property and will dispose of any personal property unclaimed and left behind. The Public Works Director will report when all personal items have been removed.**
- 9.2 Policy Reinforcement - Reissue and reinforce Personnel Policy Section 5.23 to all employees, emphasizing that City equipment and facilities are for official City business only.  
**Human Resources will develop a schedule to conduct refresher training and raise awareness of City Administrative Policies on use of city equipment and resources.**
- 9.3 Management Oversight - Require department supervisors to conduct periodic inspections of City facilities to ensure compliance with City policies and to verify that no unauthorized personal property is stored on-site.  
**Appropriate management oversight as recommended is a responsibility of department supervisors.**
- 9.4 Ethics Training - Provide employees and supervisors with periodic ethics training that includes guidance on misuse of public position and applicable provisions of Florida law, including Florida Statute §112.313(6).  
**Will be incorporated in annual ethics training program.**

#### **Audit Recommendations Section 10:**

- 10.1 Install the UniFi Access System which is used citywide and provides individual credentials and access logging, eliminating manual and spreadsheet-based controls, and ensuring appropriate management access.  
**Public Works is in the process of implementing an upgrade to the City's security controls to address this concern.**
- 10.2 Management should also conduct a facility security assessment and implement appropriate physical security measures, including the installation of surveillance cameras, to safeguard City assets and improve oversight.  
**In progress at this time. Cameras, physical barriers and protections are being upgraded given budget constraints.**

#### **Conclusion:**

Our Field Operations Division plays a vital role in maintaining a complex, critical water distribution system city-wide. They work tirelessly maintaining an aging city infrastructure and their hard work under often hazardous conditions in all weather and at any time of day and night is truly commendable. The dishonest actions of a senior manager are not indicative of the caliber of people that staff our Field Operations Division.

Our City Auditor conducted a thorough and detailed audit that revealed theft and misuse of city owned and taxpayer funded resources. We have taken swift and just action to address her findings, including pressing criminal charges against the former Field Operations Supervisor, recovering city property and seeking other restitution as allowed by law and instituting tighter internal controls designed to prevent future occurrences of theft or misappropriation of city resources.

Those are some of the short-term actions we are taking. Over the longer term, it is our goal to ensure that city leadership promotes a workplace culture where each and every employee has a voice in creating an environment free from the troublesome issues experienced recently within Field Operations and that our citizen's faith in the credibility of our workforce is maintained.

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