



Office of Inspector General Annual Report

Fiscal Year 2022-2023

**Prepared by
Office of Inspector General**

**J. Timothy Beirnes, CPA, Inspector General
Ann Haga, Executive Assistant**

sfwmd.gov



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

December, 19, 2023

Governing Board Members:

Mr. Chauncey Goss, Chair
Mr. Scott Wagner, Vice-Chair
Mr. Ron Bergeron, Sr.
Mr. Benjamin Butler
Mr. Carlos "Charlie" E. Martinez
Ms. Cheryl Meads
Ms. Charlette Roman
Mr. Jay Steinle

Re: Annual Report for Fiscal Year 2022-2023

In accordance with the Audit and Finance Committee Charter and Section 20.055, Florida Statutes, I am pleased to submit the Office of Inspector General's Annual Report for Fiscal Year 2022-2023. This report was prepared by Ann Haga, Executive Assistant, and myself. It summarizes the audits and investigations performed, as well as other projects and activities accomplished during the year.

The Office of Inspector General will continue to promote effective controls, evaluate program effectiveness, and identify opportunities to improve efficiencies in operations. We will continue to provide you and District management with quality information to assist in decision making and fulfilling your duties and responsibilities.

We appreciate the support and encouragement of the Governing Board, the Audit and Finance Committee, and the cooperation of District management and staff.

Sincerely,

A handwritten signature in blue ink, reading "J. Timothy Beirnes".

J. Timothy Beirnes, Inspector General
Office of Inspector General

C: Drew Bartlett, Executive Director
Senior Management Team

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INTRODUCTION

In accordance with the Section 20.055, Florida Statutes, this report summarizes the activities of the South Florida Water Management District's (the "District") Office of Inspector General (the "OIG") for the fiscal year ended September 30, 2023 (FY 2023).

The OIG serves as an independent appraisal unit within the District to examine and evaluate its activities. The Inspector General reports directly to the District's Governing Board (the "Board"), through the Board's Audit & Finance Committee, whose members are appointed by the Chairman of the Board. The Audit & Finance Committee operates under an Audit & Finance Committee Charter established by the Board.

The Internal Audit Charter adopted by the Governing Board established an internal audit function within the OIG to provide a central point for coordination of activities that promote accountability, integrity, and efficiency in the operations of the District. The OIG is accorded unrestricted access to District facilities, records, and documents and is not limited as to the scope of work.

The duties and responsibilities of the Inspector General, as defined by Sections 373.079 and 20.055, Florida Statutes, include:

- advising in the development of performance measures,
- assessing the validity and reliability of performance measures,
- reviewing action taken by the District to improve performance,
- conducting, supervising or coordinating other activities to promote economy and efficiency,
- preventing and detecting fraud and abuse,
- coordinating with other auditors to avoid duplication, and
- ensuring that an appropriate balance is maintained between audits, investigations, and other accountability activities.

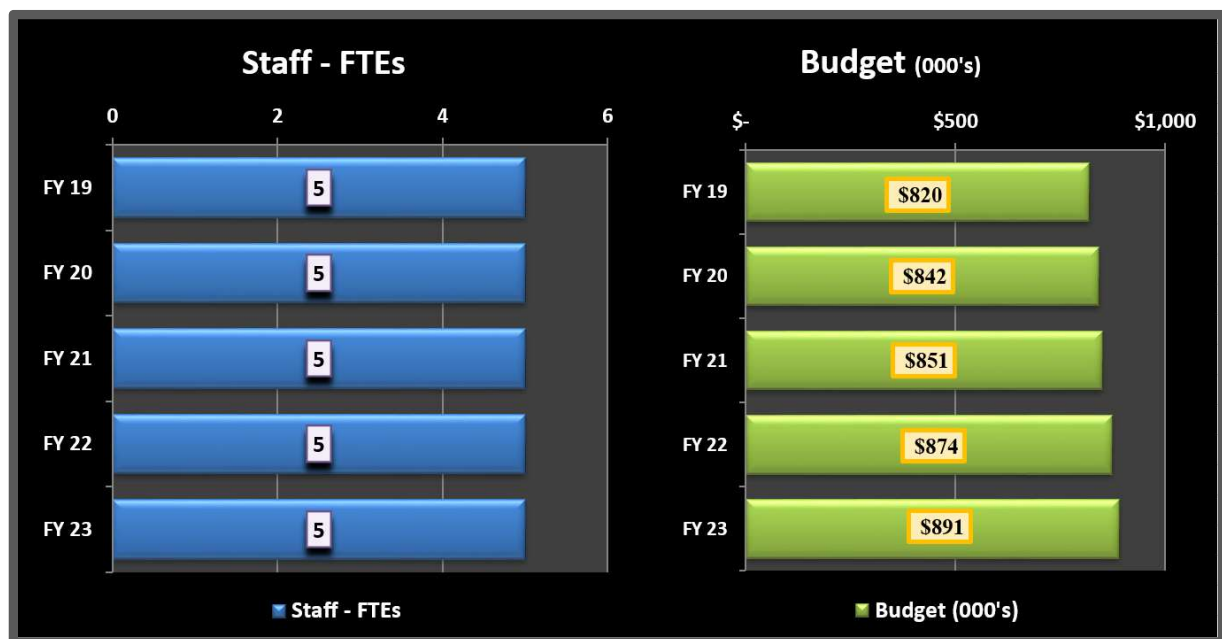
Pursuant to Sections 112.3187 through 112.31895 and Section 20.055, Florida Statutes, the Inspector General is also responsible for investigating Whistle-Blower Act complaints brought by District employees, former employees, agents, contractors, or citizens.

OFFICE STAFF and BUDGET

During FY 2023, the Office of Inspector General consisted of the following staff:

<u>Position</u>	<u>Certifications</u>
Inspector General	<i>Certified Public Accountant (CPA)</i> <i>Certified Management Accountant (CMA)</i> <i>Certified Information Systems Auditor (CISA)</i> <i>Certified Information Technology Professional (CITP)</i> <i>Certified Inspector General (CIG)</i>
Lead Consulting Auditor	<i>Certified Public Accountant (CPA)</i>
Lead Consulting Auditor	<i>Certified Information Systems Auditor (CISA)</i>
Chief Investigator (Currently Vacant)	<i>Certified Public Accountant (CPA)</i> <i>Certified Fraud Examiner (CFE)</i> <i>Certified Inspector General Investigator (CIGI)</i>
Executive Assistant	

The following graphs show the trend in the number of full-time equivalent (FTE) staff and the Office of Inspector General's annual budget for the past several years.



The Office's budget includes the fees for the annual financial statement audit performed by the District's accounting firm. This amount was \$160,000 for FY 2023.

PROFESSIONAL DEVELOPMENT

In order for our Office to comply with the General Accounting Office's *Government Auditing Standards*, the Inspector General ensures that mandatory training requirements are satisfied for the entire Office of Inspector General staff. The goal of the program is to cost effectively increase professional knowledge and proficiency and ensure that staff meets continuing professional education requirements.

During FY 2023, the staff received training in such topics as:

- Government Accounting Standards
- Government Auditing Standards
- Quality Assurance
- Information Systems & Security
- Fraud Detection and Investigation
- Management Advisory Services
- Construction Auditing
- Ethics

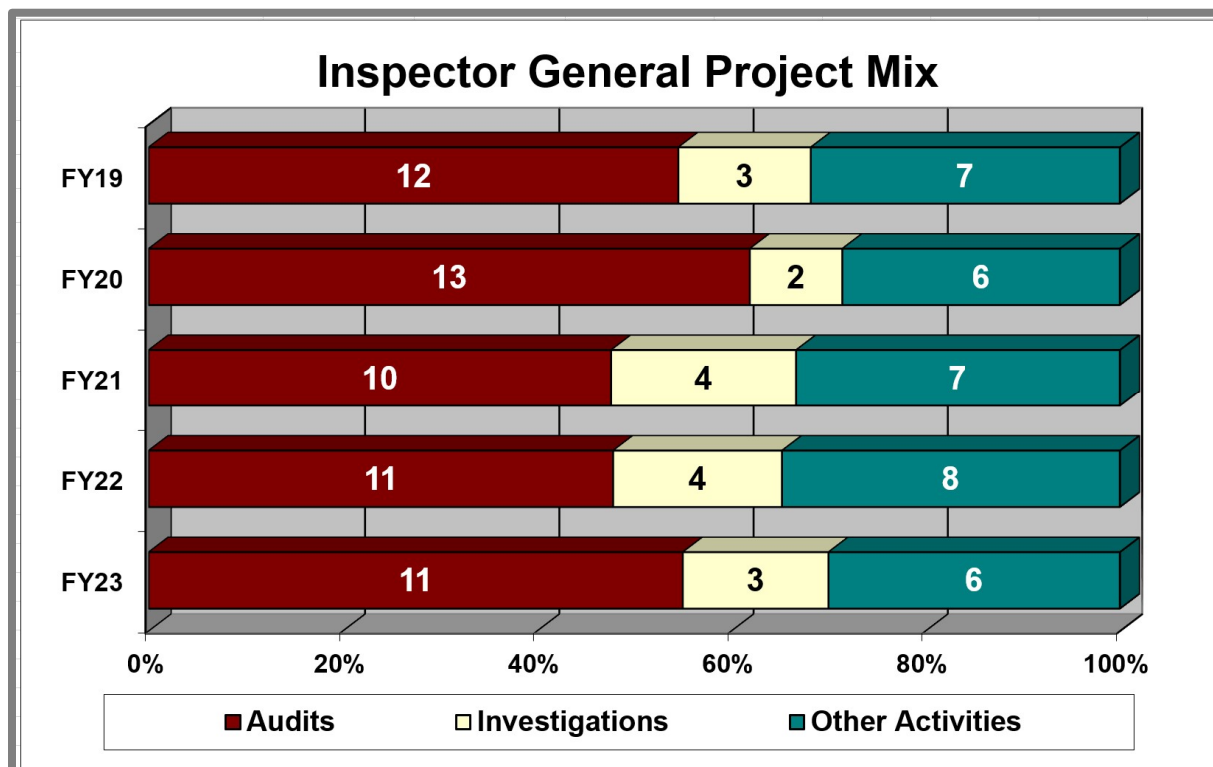
Professional development is provided through affiliations with several professional organizations, including the following:

- Association of Inspectors General
- American Institute of Certified Public Accountants
- Institute of Internal Auditors
- Association of Local Government Auditors
- Institute of Management Accountants
- Information Systems Audit and Control Association
- Association of Certified Fraud Examiners

INSPECTOR GENERAL ACTIVITIES

The Inspector General prepares an annual audit plan that lists the audits and other activities that will be undertaken during the ensuing fiscal year. The Inspector General relies on a review of the District's annual budget and work plans, analysis of financial information, and input from the Audit & Finance Committee and District management, to aid in the development of this plan. The Office of Inspector General continues to identify those programs that pose the greatest challenge to the District to assist in prioritizing audits, and to ensure the most effective use of staff resources. The Inspector General also considers the statutory responsibility to advise in the development of performance measurements, standards, and procedures in assessing District program risks.

The number of projects completed during the current and past fiscal years is illustrated in the following graph:



AUDITS & REVIEWS

In FY 2023, the Office of Inspector General focused on performance auditing and completed 11 audit and review projects. Performance audits include economy & efficiency, program compliance, and results. A summary of each report follows.

Audit of Fleet Maintenance and Operations ***Project No. 21-10***

The objective of the Audit of Fleet Maintenance and Operations focused on determining whether there was an adequate process in place to ensure that fleet maintenance operations were performed effectively and efficiently.

The overall audit conclusion revealed that Operations and Maintenance has an adequate process in place to ensure that fleet maintenance operations are performed effectively and efficiently; however, we noted that improvements can be made in certain areas. Our audit disclosed that purchases totaling \$3,828,891 were made from approximately 514 vendors with purchase amounts ranging from \$317,493 to \$5.29. Most field stations use the same vendors for certain types of repairs and parts. We concluded that the vendor selections appear justified. Specifically, we found that \$1,893,991 of the \$3,828,891 in total purchases (50%) were made from 15 vendors and total purchases ranged from \$57,573 to \$317,493; vendors included original equipment manufacturer (OEM) retailers, vehicle/equipment dealers, aftermarket parts retailers, state contracted tire vendors, and auto collision vendors.

The District has a process in place to ensure that preventive maintenance is performed on its vehicle/equipment via PMPL work orders; however, there were no written policies outlining the timeframe within which PMPL preventive maintenance and inspections work orders should be completed. We concluded that most District's vehicle/equipment inspections and preventive maintenance were performed within 40 days of the planned work order date (date work order automatically generated by SAP). Specifically, we concluded that 3,292 of the 4,289 (77%) PMPL work orders in our population were completed within 40 days from the planned date and 997 (23%) were completed 41 or more days after the planned date. Further, completion timeframes for PMPL work order vary by field station; for example, only 2% of the Okeechobee Field Station's PMPL worker orders were completed beyond 41 days or more

from the planned date; while 73% of the Miami Field Station's PMPL work orders took more than 41 days or more to complete. Our discussions with field station staff disclosed various reasons why PMPL work orders were completed beyond the 40 days, or more, days of the planned date. Examples of reasons included staff vacancies, COVID pandemic, parts delays, and oversights by staff.

The Field Operations Division's maintenance goal for fleet work orders is for 80% to be planned and 20% to be unplanned. However, we concluded that the Division was not achieving this goal since 58% of all repairs were planned and 42% repairs were unplanned. The Clewiston, Homestead and Miami Field Stations had the highest percentages of unplanned repairs; unplanned repairs ranged from 46% to 55% total work orders. There were several reasons for unplanned repairs, for example, older vehicles/equipment with high mileage/hours that result in more breakdowns.

Our review of routine work orders by field station disclosed that routine work orders ranged from less than 1% to 16% of total work orders. There were instances where routine work orders were incorrectly classified as unplanned work orders (PM01). Most notably, 51 of the 55 West Palm Beach Field Station's work orders described as "put in service" were incorrectly classified unplanned work orders and only 4 of the 55 were correctly classified as routine. The West Palm Beach Field Station's Operations and Maintenance Supervisor has taken steps to address this issue. Incorrect work order classifications can distort planned and unplanned work order costs.

Employees performing fleet related activities are required to primarily charge time worked to fleet work orders. Overall, fleet technicians are charging time worked on fleet maintenance to fleet work orders. Fleet technicians charged anywhere from 77% to 99% of time worked to work order related activities which means that anywhere from 1% to 23% of time worked was charged to cost centers. Specifically, 13 of the 23 technicians (57%) analyzed charged more than 90% of time worked to work order activities. Fleet maintenance staff provided several reasons for charges to cost centers.

We made 12 recommendations to improve fleet maintenance operations. Management concurred with all of the recommendations.

Audit of ERP Enforcement
Project No. 21-17

The objective of the Audit of Environment Resource Permit (ERP) Enforcement was to determine whether the Environmental Resources and Regulatory Support Bureau's enforcement activities ensure compliance with state laws, regulations, and individual ERP permits.

Overall, the controls over the ERP Enforcement process appeared to be operating as designed; however, the Pega 8 system's capabilities were not always being fully utilized by all enforcement staff. We originally noted that documentation was not loaded in the system for several enforcement cases. However, subsequent to our initial audit testing, staff updated the system to ensure all open cases were input into Pega 8. We reviewed the updated information and determined that the missing six cases had been properly uploaded and that the documentation was fully and accurately input into the system. Monthly staff meetings are held to perform a routine review of cases and ensure that all cases are uploaded to the Pega 8 system.

Staffing and budget allocations to enforcement activities have been constrained in recent years, which has resulted in a higher case load per employee. The District has experienced shortages in staffing, particularly after a budget revision several years ago. These staffing shortages are evident in the Environmental Resource Bureau as managers have trained compliance and permitting staff to take on roles in enforcement. We noted a need to implement technological efficiencies or additional staffing to address the enforcement case workload.

Penalties assessed on enforcement cases are not always collected in full; however, the District's primary objective is restoration of the disturbed area to its pre-development state. Total penalties and cost assessed in Fiscal Year 2022 were \$217,857. Total penalties collected were \$201,424.06. This equates to a collection rate of approximately 92.5% of penalties and costs assessed.

Audit of DMV File Security

Project No. 22-07

Pursuant to the audit requirements of a Memorandum of Understanding (MOU) with the Florida Department of Motor Vehicles (DMV), our objective of the Audit of DMV File Security was to determine whether District internal controls related to driver license information received from the DMV are adequate to ensure that the DMV records are protected from unauthorized access, distribution, use, modification or disclosure.

The District is required to establish a system of internal controls related to the monthly DMV Report to ensure that driver's license information is secured against unauthorized access, distribution, use, modification or disclosure. Our examination of this system found that adequate internal controls were in place to secure the DMV records. As a result, we concluded that the District was in full compliance with the MOU.

Audit of CERP Real Estate Cost Share

Project No. 22-20

The objective of the Audit of CERP Real Estate Cost Share was to determine whether the District requested credit for all eligible CERP project land acquisition related expenses and whether adequate supporting documentation was maintained for such expenditures. We previously performed an *Audit of CERP Cost Share (Audit #20-11)* to determine whether the District requested credit for all eligible CERP design and construction related expenses. We planned two separate audits because the crediting processes for design and construction and land acquisition related expenses are separate and different. The Finance Bureau submits CERP design and construction related expenses for credit while the Real Estate Bureau submits CERP land acquisition related expenses for credit.

Overall, the District appears to have an adequate process in place to ensure that eligible CERP land acquisition related expenses along with supporting documentation will be submitted to the USACE for credit. Our conclusion was based on our review of crediting packages and improvements the Real Estate Bureau made to the crediting process since our *Audit of Kissimmee River Restoration Project (KRRP)* (Audit #18-08) that resulted in 19 recommendations to improve the District's KRRP land cost share. Further, Real Estate Bureau

staff stated that they used the lessons learned from our prior audit to improve the credit request process for CERP project land acquisition related expenses.

Based on a walkthrough of the crediting process and our review of two preliminary credit requests prepared by different Real Estate Bureau crediting staff submitted for supervisory approval during our audit, we concluded that the process appears adequate; however, based on our review, we recommended the Real Estate Bureau consider the following changes to further improve the processes:

- requiring that all claim requests be formatted in the same manner,
- ensuring that cover letters reflect the correct credit amount requested,
- verifying that all expenses are claimed, and
- coordinating with the USACE to determine whether environmental risk assessment expenses should be requested as land acquisition related expenses by the Real Estate Bureau or as construction related expenses by the Finance Bureau.

Further, our review of the four credit requests submitted to the USACE since 2014 disclosed salary expenses totaling \$16,826 for one claim was included in the supporting documentation but not included in the claim summary. As a result, claimed expenses amount was understated. Project population included only CERP projects with PPA's, since credit can be requested only for projects with an executed PPA. As of April 2023, six credit requests totaling 39,038 acres have been submitted to the USACE for credit. Two of the six requests were submitted prior to our audit (2010 and 2014) and the remaining four were submitted during our audit (April 2023) because the Real Estate Bureau has been primarily focused on completing credit requests for the Kissimmee River Restoration and C-111 South Dade projects. In addition, very few CERP tracts were eligible for credit submission since 2014. The USACE approved credit totaling \$92.2 million for one request, which the District submitted in 2014. We concluded that the Real Estate Bureau can request credit for 37,659 acres of CERP projects lands with executed Project Partnership Agreements. In addition, we concluded the following could further enhance the credit process for CERP land acquisition related expenses:

- completing the *Land Certification and Crediting Procedures*,
- tracking certifications and claims, and
- documenting the process for determining salary expenses.

We made seven recommendations to improve the reporting, tracking and requesting of CERP land acquisition related expenses.

Implementation of GASB 87 Audit ***Project No. 22-21***

The Implementation of GASB 87 Audit assessed whether the requirements of GASB 87 had been adequately addressed to ensure that District leases, as defined by GASB 87, were fairly stated in the District's financial statements for the Fiscal Year Ended September 30, 2022.

Overall, we found that the process developed for reviewing District contract agreements was sufficiently designed to capture the relevant data from District agreements to ensure reasonable assurance of complying with the provisions of GASB 87. Two Guidance Checklists were prepared; one for reviewing agreements where the District is the lessor, and one for where the District is lessee. These Guidance Checklists provided a process for reviewing District agreements to determine whether the agreements were subject to the requirements for GASB 87.

The Projects & Assets Section, within the Finance Bureau, also created two Excel spreadsheets, one for leases where the District is lessor, one where the District is lessee. The spreadsheets provided a tool to capture 26 different data elements from each agreement to determine whether they should be classified as a lease in accordance with the provisions of GASB 87. Thirty-two (32) agreements were analyzed where the District is the lessee, of which seven (7) were determined to be subject to the requirements of GASB 87. Also, 129 agreements were analyzed where the District is the lessor, of which 14 were determined to be subject to the requirement of GASB 87. In total, 161 agreements were analyzed, and 21 were determined to be subject to the provisions of GASB 87.

Audit procedures entailed testing a sample of the agreements contained in each spreadsheet to determine that the data elements were sufficiently captured from the agreements and that each agreement appeared to be properly classified. Audit results indicate that the Lessee Analysis Data Spreadsheet and the Lessor Analysis Data Spreadsheet sufficiently captured the data from lease agreements and that the classification of each agreement appeared

appropriate. Also, our recalculation of the lease net present values (NPVs) revealed that they were fairly stated.

Audit procedures also entailed assessing the methodology used to establish the discount rates used for calculating the NPVs. Since District lease agreements rarely, if ever, contain a stated interest rate, the incremental borrowing rate criteria permitted by GASB 87 was used to establish the District's discount rate to calculate NPVs. The District's financial advisory firm, PFM, prepared a synthetic yield curve showing the District's incremental borrowing rate for each of 20 years terms. The methodology used to establish the discount rates appears reasonable and appropriately reflects the criteria contained in GASB-87. Also, an appropriate expert in the public debt market, PFM, was used to assist in establishing the appropriate incremental borrowing rates.

Change Order Monitoring – March 2023

Project No. 22-23

During this Change Order Monitoring review, we identified all construction contract change orders the Governing Board authorized through resolutions during the three fiscal years 2020 through 2022, which covered the time period since the *Audit of Construction Change Orders*, (Project No. 21-07) issued November 10, 2021. During this period, the Governing Board approved seven change order resolutions. We noted that all seven of the resolutions were documented with corresponding change orders authorized by District management located in eBuilder. The total amount of change orders authorized by Governing Board resolution for this period was \$113,749,701; of which \$109,987,751 (97%) was for the following two larger change orders:

- \$25,000,000 for the C-43 Reservoir Project, and
- \$84,987,751 for the C-640 Canal Graded Filter (CEPP New Waters EAA A-2 Stormwater Treatment Area).

At the time of the reporting for this review, the total amount of change orders executed for these seven resolutions was \$105,628,798. A summary of the resolutions is shown in the following table.

Contract Changes Through Board Resolution Fiscal Years 2020, 2021 & 2022				
Project	Board Meeting Date	Resolution #	Board Approved Amount	Executed Change Order
Lakeside Ranch Stormwater Treatment Area S-191	11/12/2020	2020-1109	\$135,292	\$135,292
S-169W Relocation and C-20 Canal Armoring Project	11/12/2020	2020-1110	\$489,266	\$489,266
RS-G341 Conveyance Improvements	12/10/2020	2020-1210	\$2,500,000	\$2,051,430
Lakeside Ranch Stormwater Treatment Area S-191	6/10/2021	2021-0606	\$455,457	\$455,457
C-44 Reservoir/STA, S-401	10/14/2021	2021-1014	\$181,935	\$181,935
C-43 Reservoir Project	3/10/2022	2022-0306	\$25,000,000	\$17,327,667
C-640 Canal Graded Filter (CEPP New Waters EAA A-2 Stormwater Treatment Area)	7/14/2022	2022-0712	\$84,987,751	\$84,987,751
Total			\$113,749,701	\$105,628,798

We also completed a review of all change orders executed between March 19, 2022 and September 30, 2022. During this period, there were 20 contracts with 32 total change orders. The amount of these change orders totaled \$105,597,264. The documentation for 27 of the 32 change orders reviewed was accurately input into eBuilder, however, we were able to review provided documentation for all the change orders. All the change orders were accurately calculated. The current change order average percentage for this review period was calculated at 8% with all contracts considered, and 3% with outlying contracts removed. Both calculations (with and without outliers) were within or well below the industry average of 8-14%. There were two change orders which were considered as outliers by the Engineering and Construction Bureau Management and not indicative of a change order rate resulting from design and technical review errors or omissions. The nature of outlying change orders was discussed previously in the *Audit of Construction Change Orders* (Project No. 21-07), issued November 10, 2021.

Audit Recommendations Follow-Up Reports

Audit Recommendations Follow-Up Report for 7/1/22 – 9/30/22 Project No. 23-01

This report on the implementation status of audit recommendations was for the period July 1, 2022, through September 30, 2022 (the “Fourth Quarter of FY 2022 Reporting Period”). As of June 30, 2022, for previously issued audit reports, nine (9) recommendations were not yet Fully Implemented, including one (1) recommendation that was Partially Implemented. During the Fourth Quarter of FY2022 Reporting Period, two (2) recommendations were Fully Implemented including completion of the one (1) formally Partially Implemented recommendation. In total from all reports, seven (7) recommendations were In-Process of being implemented as of September 30, 2022.

Our Office also continued monitoring the implementation status of the five (5) recommendations made in the Operational Audit performed by the State of Florida Auditor General, issued in January 2021 (Report No. 2021-102). As of September 30, 2022, seven (7) of the recommendations had been Fully Implemented, and two (2) had been Partially Implemented.

Audit Recommendations Follow-Up Report for 10/1/22 – 12/31/22 Project No. 23-04

This report on the implementation status of audit recommendations was for the period October 1, 2022 through December 31, 2022 (the “First Quarter of FY 2023 Reporting Period”). As of September 30, 2022, for previously issued audit reports, seven (7) recommendations were not yet Fully Implemented. During the First Quarter of FY 2023 Reporting Period, two (2) recommendation were Fully Implemented. During the First Quarter of FY 2023 Reporting Period, six (6) recommendations were added from one (1) newly issued audit report. Two (2) of these recommendations were implemented during the reporting period or were implemented at the time of report issuance. In total from all reports, nine (9) recommendations were In-Process of being implemented as of December 31, 2022.

Our Office also continued to monitor the implementation status of the five (5) recommendations made in the Operational Audit performed by the State of Florida Auditor General, issued in January 2021 (Report No. 2021-102). As of December 31, 2023, three (3) of the recommendations had been Fully Implemented, and two (2) have been Partially Implemented.

***Audit Recommendations Follow-Up Report for 1/1/23 – 3/31/23
Project No. 23-06***

This report on the implementation status of audit recommendations was for the period January 1, 2023 through March 31, 2023 (the “Second Quarter of FY 2023 Reporting Period”). As of December 31, 2023, for previously issued audit reports, nine (9) recommendations were not yet Fully Implemented. During the Second Quarter of FY 2023 Reporting Period, one (1) recommendation was Fully Implemented. In total from all reports, eight (8) recommendations were In-Process of being implemented as of March 31, 2023.

Our Office also continued monitoring the implementation status of the five (5) recommendations made in the Operational Audit performed by the State of Florida Auditor General, issued in January 2021 (Report No. 2021-102). As of March 31, 2023, three (3) of the recommendations had been Fully Implemented, and two (2) had been Partially Implemented.

***Audit Recommendations Follow-Up Report for 4/1/23 – 6/30/23
Project No. 23-11***

This report on the implementation status of audit recommendations was for the period April 1, 2023 through June 30, 2023 (the “Third Quarter of FY 2023 Reporting Period”). As of March 31, 2023, for previously issued audit reports, eight (8) recommendations were not yet Fully Implemented. During the Reporting Period 12 recommendations were added from one (1) newly issued audit report. Six (6) of these recommendations were implemented during the Reporting Period or were implemented at the time of report issuance. In total for all reports, 14 recommendations were In-Process of being implemented as of June 30, 2023.

Our Office also continued monitoring the implementation status of the five (5) recommendations made in the Operational Audit performed by the State of Florida Auditor General, issued in January 2021 (Report No. 2021-102). As of June 30, 2023, three (3) of the recommendations had been Fully Implemented, and two (2) had been Partially Implemented.

INVESTIGATIONS

Investigation issues arise from many different sources including; District management, District staff members, vendors, and citizens. The Chief Inspector General for the Office of the Governor and other State Agency Inspectors General's also refer certain cases to our office. Our office may also be requested to review other matters throughout the year. The following sections include a short summary of each of these projects.

CIG Inquiry Regarding Reedy Creek Improvement District Enforcement *Project No. 23-08*

We received an inquiry from the Office of the Chief Inspector General (CIG) regarding the District's interactions with the (former) Reedy Creek Improvement District (RCID), and whether there had been any complaints or requests for corrective action issued to RCID. This matter was referred to the Regulation Division for response. Their review of the District's compliance/enforcement database indicated one enforcement case for dewatering initiated in 2002 and closed in 2005. The information was provided to the Office of the Chief Inspector General.

Governor's Executive Order 20-44 Annual Update *Project No. 23-10*

The Governor's Executive Order Number 20-44, issued February 20, 2020, regarding sole-source, public-private agreements and other specific contracts and agreements, requires an annual report. The executive order applies to all state agencies as well as water management districts. EO 20-44 requires the District to provide the following information:

- A list of all entities named in the statutes with which the agency must form a sole source, public-private agreement; and
- A list of all entities that, through contract or other agreements with the State [District], annually receive 50% or more of their budget from the State [District] or from a combination of State [District] and Federal funds.
- For each entity identified that meets the above criteria, determine the amount of compensation paid to the contractor's executive leadership team for the past year.

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- If the compensation totals exceed limits set forth in federal or state law and regulations, the matter shall be referred to the Office of the Chief Inspector General for investigation and appropriate action.

Based on our review of contracts executed between 4/1/22 and 4/5/23, we concluded that the District does not have any entities that met the criteria specified in EO 20-44 that were required to be reported; thus, the District's report to the Governor's Office stated "None".

Complaint Regarding Illegal Mulching at North Cape Coral Industrial Park *Project No. 23-12*

We received a complaint that a company was mulching huge truck loads of trees on property located in the North Cape Coral Industrial Park area without a permit. After reviewing the information provided, we determined that this was a regulatory enforcement issue and referred the matter to the Regulation Division.

OTHER PROJECTS

Coordination for Auditor General's Performance Audit *Project No. 23-07*

The Auditor General for the State of Florida commenced an operational audit of the District on April 4, 2023. The audit scope covers the period from October 1, 2021 through March 31 2023. The objectives of the audit for selected operating units are; programs, activities, functions, and classes of transactions, to obtain an understanding and evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines. The audit also entails examining controls that are designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of financial records and reports, and the safeguarding of assets, including identifying weaknesses in those controls.

Section 11.45(2)(f), Florida Statutes, was amended in 2011 to add water management districts to the list of agencies that the Auditor General is required to audit at least every 3 years. Although the Auditor General previously had the authority to audit water management districts at their discretion, this statutory change made it a mandatory requirement. This is the fourth audit of the District since the statute was amended. The report from their last audit was issued in January 2021. The Inspector General served as the liaison with the Auditor General during their audit. The audit was still in progress as of September 30, 2023.

Administrative Projects

During FY 2023, our Office completed the following administrative projects:

- Developed the Audit Plan for Fiscal Year 2023-2024 and Long-Term Audit Plan for Fiscal Years 2025-2029.
- Completed the Office of Inspector General Annual Report.
- Maintained and updated the Office of Inspector General Web Site.
- Managed the District's contract with RSM, US, LLP, for External Independent Auditing Services. The District received an unqualified opinion on its financial statements for the year ended September 30, 2022
- Staff completed Continuing Professional Education (CPE) training to fulfill auditing standards and individual certification requirements.