



Office of Inspector General Annual Report

Fiscal Year 2021-2022

**Prepared by
Office of Inspector General**

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

sfwmd.gov



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

December, 15, 2022

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
Ms. Jacqui Thurlow-Lippisch

Re: Annual Report for Fiscal Year 2021-2022

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 2021-2022. 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 that reads "J. Timothy Beirnes".

J. Timothy Beirnes, Inspector General
Office of Inspector General

C: Drew Bartlett, Executive Director
Senior Management Team

TABLE OF CONTENTS

INTRODUCTION	1
OFFICE STAFF AND BUDGET	2
PROFESSIONAL DEVELOPMENT	3
INSPECTOR GENERAL ACTIVITIES	4
AUDITS & REVIEWS	5
Audit of Construction Change Order	5
Audit of Private Mitigation Banks	6
Audit of Fleet Utilization and Replacement	7
Audit of ERP Enforcement	10
Review of BCB Replacement Analysis	11
Audit of DMV File Security	11
Monitoring Review of Construction Change Orders	12
Audit Recommendations Follow-Up Reports.....	13
<i>Audit Recommendations Follow-Up Report for 7/1/21 – 9/30/21</i>	<i>13</i>
<i>Audit Recommendations Follow-Up Report for 10/1/21 – 12/31/21</i>	<i>13</i>
<i>Audit Recommendations Follow-Up Report for 1/1/22 – 3/31/22</i>	<i>14</i>
<i>Audit Recommendations Follow-Up Report for 04/1/22 – 6/30/22</i>	<i>15</i>
INVESTIGATIONS	16
Complaint Regarding HR Matter	16
Allegations of Improper Work Order Administration.....	16
Complaint Regarding Curative Notice	17
Governor’s Executive Order 20-44 Annual Update.....	17
OTHER PROJECTS	19
Peer Review – SFWMD	19
Peer Review – Chattanooga, TN	19
Audit Contract Request for Qualifications and Quotes.....	20
Administrative Projects	20

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, 2022.

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.

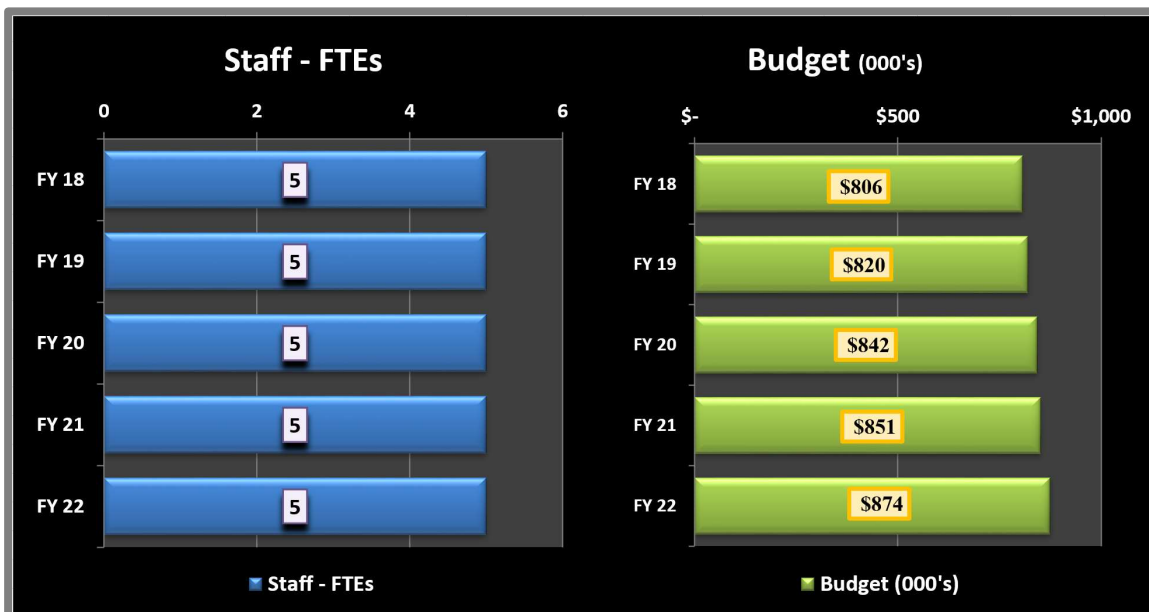
Pursuant to Sections 112.3187 through 112.31895 and Section 20.055, Florida Statutes, the Inspector General is also responsible for investigating Whistle-Blower Act complaints brought by District employees, former employees, agents, contractors, or citizens.

OFFICE STAFF and BUDGET

During FY 2022, 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	<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 2022.

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 2022, 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

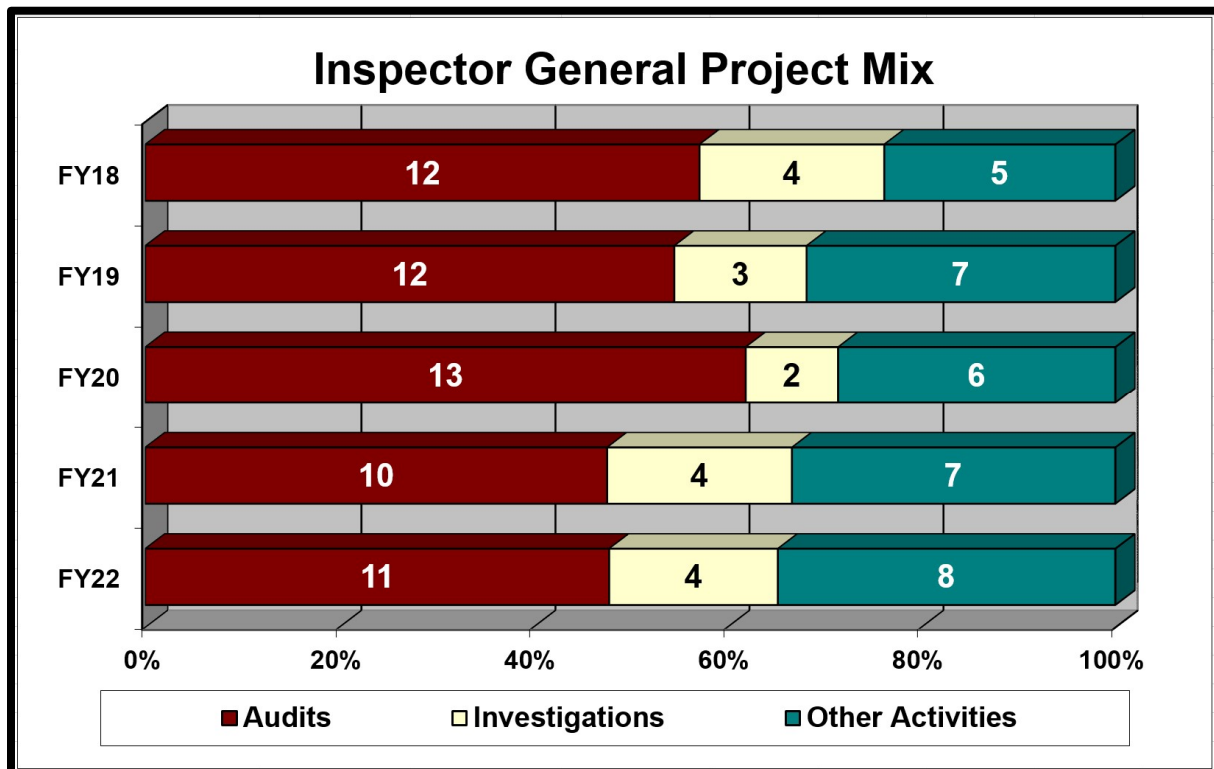
Professional development is provided through affiliations with several professional organizations, including the following:

- 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 2022, 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 Construction Change Order ***Project No. 21-07***

The objective of the Audit of Construction Change Orders was to assess whether change orders were negotiated in accordance with contract terms and conditions. Audit objectives also included verifying cumulative change order amounts as a percentage of original contract amounts and compared such to industry standards. Our work also included a review of the controls in the eBuilder system to gauge system integrity, as the information that was used in the audit relied heavily on this system. The audit scope covered the change order report which encompassed contracts between FY's 2015 and 2020.

Overall, the controls within the eBuilder system were working effectively to ensure that documentation kept in the system were complete and could be used for accurate reporting. The controls were tested so that we could determine system integrity, as most of the documentation for change orders is maintained in eBuilder. The Change Order report provided to the Governing Board was based largely on information in the eBuilder system. Therefore, having a system which can be relied upon is integral to the reporting function. We noted that older projects were migrated into eBuilder and there were some documents which we were unable to find for these projects. However, all documentation for newer projects was located in the system, and authorizations and other controls were tested and determined to be adequate.

The change order report provided to us contained 99 contracts, effective between FY's 2015 and 2020. We reviewed the documentation for a sample of 34 of these contracts, totaling \$255,655,114. Our review comprised of 60 change orders, totaling \$3,936,205. Documentation included, but was not limited to, change order authorizations, correspondence, quotes, and contract terms. We concluded that the 4.0% change order percentage that was presented to the Board was accurately calculated; however, the report did not include the total calculations of all projects. Certain projects were considered outliers, and thus were excluded

from the reported average percentage, which had higher percentage amounts. Had these projects been included in the reported amount, the total average change order percentage would have been approximately 6.3%, which is still well below the industry average of 8-14%. We recommended that future reporting include the percentages with and without the outlier change orders.

Audit of Private Mitigation Banks

Project No. 21-08

The primary objective of the Audit of Private Mitigation Banks was to examine the process for monitoring private mitigation banks to ensure compliance with permit conditions and determine whether perpetual maintenance funds are sufficient to pay for mitigation bank maintenance in perpetuity.

We found that all private mitigation bankers had not updated perpetual maintenance costs and principal balance reserves that will produce a sufficient revenue stream to fund perpetual maintenance costs. Based on our calculations, perpetual maintenance funding appears deficient, and under current conditions there is a significant risk that trust fund annual earnings projected by mitigation bankers will be insufficient to maintain mitigation banks in perpetuity, which is contrary to the intent of Chapter 373.4136, F.S. and 62-342.700(12) F.A.C.

Chapter 62-342.700(12) F.A.C., authorized an annual 6% rate of return on the principal balance when projecting annual earning requirements to fund perpetual maintenance. These earnings are expected to generate annual revenue equal to the annual cost of perpetual management. However, in the current and foreseeable future interest rate environment, a 6% rate of return appears unreasonable and distorts estimated principal funding needs. Market conditions indicate that annual earnings using the 10-year treasury interest rate of 2%, is a more realistic long term projection; however, Chapter 62-342.700(12) F.A.C. would need to be amended in order for the District to require private mitigation bankers to use a lower rate. We recommended coordinating with relevant staff and the District legislative liaison to change the authorized 6% interest earning rate on perpetual maintenance funds to a more reasonable rate that reflects long-term market conditions (i.e., the 10-year US Treasury interest rate). We also recommended that Regulation management consider coordinating with Finance Bureau staff to review mitigation banker's perpetual maintenance fund financial assurance calculations

for reasonableness. In addition, we found that financial information (i.e., bank statements, financial instruments, etc.) documenting the assets in place to fund perpetual maintenance were not always current. Bank statements or financial instruments should be provided to the District at least annually.

We also found recurring non-compliance with the requirement to update perpetual maintenance cost estimates at least every two years in accordance with statute by licensed persons in the State of Florida to provide such estimates. Most cost estimates were unsupported and not updated in accordance with statute. We recommended that Regulation develop a detailed cost template that includes all maintenance components and the estimated costs to maintain the mitigation bank in perpetuity.

We further recommended that mitigation bank perpetual maintenance estimated costs be updated at least every two years by certified licensed professionals authorized to conduct the work and be reviewed for reasonableness by District staff knowledgeable in land management costs.

Audit of Fleet Utilization and Replacement

Project No. 21-09

The primary objective of the Audit of Fleet Utilization and Replacement focused on determining whether: the fleet size was adequate to carry out the District's mission, fleet units meeting replacement requirements are replaced in a timely manner, rentals are cost effective, vehicle/equipment are adequately utilized, and fleet purchases are procured using state and other government contracts.

Overall, the District has a process in place to ensure that vehicles/equipment are being adequately utilized but some improvements are needed, the fleet size was adequate to carry out the District's mission, and fleet purchases are procured using State and government contracts to obtain the best prices.

Due to limited funding and other District priorities over the past several years, the District has not been able to replace its fleet that met certain replacement criteria. Consequently, the number of vehicle/equipment meeting the replacement criteria increases each year along with repair costs for the aging fleet. Specifically, during Fiscal Year 2016 to

Fiscal Year 2021 (August 2021) about \$16.6 million has been spent on replacing existing vehicle/equipment (an average of \$2.8 million annually); however, this amount has been insufficient to have any impact on the amount needed for replacements, which keeps increasing each year. Specifically, in Fiscal Year 2021, an estimated \$24.4 million was needed just to replace vehicles and equipment meeting replacement criteria; however, only \$3.1 million was allocated. The following table summarizes funding needs and the projected funding for Fiscal Year 2022.

Fleet Replacement Funding Summary	
Fleet Replacement / Funding Data	Amount
Fiscal Year 2020 Analysis of Fleet Replacement Funding Required to Replace Vehicle/ Equipment Meeting Replacement Criteria in Fiscal Year 2021 – <i>20% of the Fleet needs Replacement</i>	\$ 24,425,434
Fiscal Year 2021 Fleet Funding Allocated to Replace Units Identified in Fiscal Year 2020	\$ 3,116,050
Deferred Fleet Fiscal Year 2021 Replacements	\$ 21,309,384
<i>Note: Deferred Replacement Amount will be Increased by Fleet Unit's Fiscal Year 2021 Replacement Analysis.</i>	
Budgeted Funding for Fiscal Year 2022 Fleet Replacement <i>(Decrease of \$991,769 (32%) from Fiscal Year 2021)</i>	\$ 2,124,281

Further, our analysis disclosed that Fiscal Years' 2019 and 2020 light truck utilization levels appeared adequate and adequate justifications for low utilizations were provided by cost centers. Utilization levels of other units appeared inadequate, as summarized in the following table.

Utilization Summary for Fiscal Years 2019 and 2020									
Vehicle/Equipment Classifications	Fiscal Year 2019					Fiscal Year 2020			
	Adequate Utilization					Adequate Utilization			
	Yes		No			Yes		No	
Light Trucks	408					387			
	350	86%	58	14%	308	80%	79	20%	
Medium Trucks	62					66			
	37	60%	25	40%	38	58%	28	42%	
Heavy Trucks	59					59			
	10	17%	49	83%	14	24%	45	76%	
Construction Equipment	84					92			
	15	18%	69	82%	7	8%	85	92%	
Tractors	20					21			
	2	10%	18	90%	3	14%	18	86%	

In some instances, cost centers provided reasons for low utilizations while in other instances the reasons were either not provided or were too vague. Fleet Unit staff plans to improve utilization monitoring; for example, hiring another fleet analyst, monitoring utilization more closely, and analyzing whether the entire fleet of bulldozers is needed.

We made 10 recommendations to improve the fleet utilization and replacement process.

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.

Review of BCB Replacement Analysis
Project No. 22-05

In November 2021 the Inspector General presented the Audit of Fleet Utilization and Replacement to the SFWMD's Audit and Finance Committee. At the request of the BCB Chair and BCB Basin Administrator, the Inspector General performed a separate analysis of fleet utilization and replacement comprised of only the BCB fleet units. The results revealed that none of the current fleet units meet the replacement criteria, however, projected replacements over the next 5 years were estimated to cost approximately \$1.4 million.

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.

Monitoring Review of Construction Change Orders

Project No. 22-12

The Monitoring Review of Construction Change Orders assessed whether change orders during the review period were negotiated in accordance with contract terms and conditions, calculated accurately, and whether the change order percentage are within industry standards. The review scope covered the change orders which were approved between October 1, 2021, and March 18, 2022. The change order average percentage were calculated using projects which were open between Fiscal Years 2020 to the time of the review.

The project documentation in eBuilder appeared complete and accurate. There were 20 change orders which were completed during the time of this review (October 1, 2021 through March 18, 2022). The population of change orders totaled \$2,588,195. We tested four of the 20 change orders, totaling \$1,432,631 (or, 55% of the total population). The change orders tested appeared in accordance with contract terms and conditions. All four of the change orders reviewed were accurately input into eBuilder, authorized appropriately, and accurately calculated.

The current change order average percentage for this review period was calculated at 13% with all contracts considered, and 4% with outlying contracts removed. Both calculations (with and without outliers) were within the industry average of 8-14%.

Six change orders 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. Outlying change order instances such as these were discussed previously in the Audit of Construction Change Orders (#21-07).

Audit Recommendations Follow-Up Reports

Audit Recommendations Follow-Up Report for 7/1/21 – 9/30/21 Project No. 22-01

This report on the implementation status of audit recommendations was for the period July 1, 2021 through September 30, 2021 (the “Fourth Quarter of FY 2021 Reporting Period”). As of June 30, 2021, 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 FY2021 Reporting Period, four (4) recommendations were Fully Implemented and one (1) recommendation was Partially Implemented. In total from all reports, three (3) recommendations were In-Process of being implemented and two (2) recommendations had been Partially Implemented as of September 30, 2021.

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, 2021, two (2) of the recommendations had been Fully Implemented, two (2) had been Partially Implemented, and one recommendation was In Process of implementation.

Audit Recommendations Follow-Up Report for 10/1/21 – 12/31/21 Project No. 22-09

This report on the implementation status of audit recommendations was for the period October 1, 2021 through December 31, 2021 (the “First Quarter of FY 2022 Reporting Period”). As of September 30, 2021, for previously issued audit reports, five (5) recommendations were not yet Fully Implemented, including two (2) recommendations that were Partially Implemented. During the First Quarter of FY 2022 Reporting Period, one (1) recommendation was Fully Implemented. During the First Quarter of FY 2022 Reporting Period, 19 recommendations were added from three (3) newly issued audit reports. Eleven (11) of these recommendations were implemented during the reporting period or were implemented at the time of report issuance. In total from all reports, 10 recommendations were In-Process of being implemented and two (2) recommendations had been Partially Implemented as of December 31, 2021.

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, 2021, three (3) of the recommendations had been Fully Implemented, one (1) had been Partially Implemented, and one recommendation was In Process of implementation.

***Audit Recommendations Follow-Up Report for 1/1/22 – 3/31/22
Project No. 22-14***

This report on the implementation status of audit recommendations was for the period January 1, 2022 through March 31, 2022 (the “Second Quarter of FY 2022 Reporting Period”). As of December 31, 2021, for previously issued audit reports, 12 recommendations were not yet Fully Implemented, including two (2) recommendations that were Partially Implemented. During the Second Quarter of FY 2022 Reporting Period, three (3) recommendations were Fully Implemented, including completion of one recommendation that was previously Partially Implemented. In total from all reports, eight (8) recommendations were In-Process of being implemented and one (1) recommendation had been Partially Implemented as of March 31, 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 March 31, 2022, three (3) of the recommendations had been Fully Implemented, and two (2) had been Partially Implemented.

Audit Recommendations Follow-Up Report for 4/1/22 – 6/30/22
Project No. 22-18

This report on the implementation status of audit recommendations was for the period April 1, 2022 through June 30, 2022 (the “Third Quarter of FY 2022 Reporting Period”). As of March 31, 2022, for previously issued audit reports, nine (9) recommendations were not yet Fully Implemented, including one (1) recommendation that was Partially Implemented. The status of these recommendations remained the same for the Third Quarter of FY 2022 Reporting Period ended June 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 June 30, 2022, three 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 including a short summary of each of these projects.

Complaint Regarding HR Matter *Project No. 22-06*

We received a complaint from a District employee alleging they were treated in a discriminatory manner. After reviewing the information provided, we advised the employee that this was an EEOC matter and referred him to the Human Resources Bureau.

Allegation of Improper Work Order Administration *Project No. 22-09*

Management referred a matter to our Office regarding a subcontractor's allegation of improper administration concerning work orders for engineering services, as well as various other allegations. The allegations were delivered to various District staff in the form of numerous terse text messages and a few phone calls to District staff. No specific evidence was provided to support the claims and allegations.

We conducted a preliminary review into these allegations, reviewing the documents provided and conducting District staff interviews. We concluded that a formal investigation is not warranted due to the lack of any specific evidence to support the claims and allegations.

Complaint Regarding Curative Notice

Project No. 22-10

We have reviewed a complaint referred to our Office concerning a contractor's response to a District curative notice, in which the contractor requested the Inspector General investigate certain assertions made in such response. We conducted a preliminary review of the contractor's complaint, reviewed the documentation provided, and interviewed District staff. Investigations are performed to address allegation of fraud, waste, mismanagement, misconduct, and other abuses in the District. We determined that this issue constituted a contract dispute concerning whether contractual work was performed satisfactorily in accordance with the contract scope of work. Such matters are appropriately handled through a legal dispute resolution process and was not a matter necessitating a formal investigation by our Office. The contractor also alleged that the Program Manager was creating a toxic work environment. We recommended that management refer such matter to Human Resources, if management had any concerns as to whether such allegation had any merit.

Governor's Executive Order 20-44 Annual Update

Project No. 22-15

On February 20, 2020, the Governor issued Executive Order Number 20-44 (EO 20-44) regarding sole-source, public-private agreements and other specific contracts and agreements. The executive order applied to all state agencies as well as water management districts. EO 20-44 required 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 receives 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.

-
- 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.
 - The EO 20-44 also requires an annual update covering new executive agreements.

In May 2022, we conducted an annual update by coordinating with Administrative Services Division and the Procurement Bureau to identify any new District contractual agreements executed during the past year that may be applicable to EO 20-44. The review did not identify any contracts or other agreements that were of the nature or met the criteria thresholds specified in the Governor's Executive Order 20-44.

OTHER PROJECTS

Peer Review – SFWMD

Project No. 22-17

The peer review for our Office was completed on June 16, 2022, covering the three-year period ended December 31, 2021. Florida State statutes require inspector generals to perform audits in accordance with *Government Auditing Standards* promulgated by the Comptroller General of the United States. One of those standards requires an external independent peer review once every three years to assess the audit organization's conformance with applicable professional standards.

The review was performed through the Association of Local Government Auditors peer review program. Our peer review Team Leader was Richard Springsteen, DFW International Airport, Internal Audit; assisted by Team Member, Michael Jones, City of Atlanta, City Auditor's Office.

The peer review process can result in three levels of compliance: 1) Pass, 2) Pass with Deficiencies, or 3) Failure. Our Office received a "Pass" compliance report, which means that in the reviewers' opinion the South Florida Water Management District Office of Inspector General's internal quality control system was adequately designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* and applicable legal and regulatory requirements for audits completed during the period January 1, 2019 through December 31, 2021.

Peer Review – Chattanooga, TN

Project No. 22-11

Tim Beirnes, Inspector General served as the Team Leader to perform a peer review for the City of Chattanooga, Tennessee, Office of Internal Audit, covering the three-year period ended December 31, 2021. The review was performed through the Association of Local Government Auditors peer review program. The review was conducted from May 23 through May 26, 2022.

Audit Contract Request for Qualifications and Quotes

Project No. 22-16

Qualifications and quotes were solicited from several accounting firms regarding services for the Annual Financial Statement Audit contract. Such information was presented to the Audit and Finance Committee for their consideration.

Administrative Projects

During FY 2022, our Office completed the following administrative projects:

- Developed the Audit Plan for Fiscal Year 2022-2023 and Long-Term Audit Plan for Fiscal Years 2024-2028.
- 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, 2021
- Reviewed a vendor's analysis proposing leasing instead of owning District fleet.