



# **Office of Inspector General Annual Report**

**Fiscal Year 2023-2024**

**Prepared by  
Office of Inspector General**

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

**[sfwmd.gov](http://sfwmd.gov)**



# SOUTH FLORIDA WATER MANAGEMENT DISTRICT

December 18, 2024

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 2023-2024

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 2023-2024. 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

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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, 2024 (FY 2024).

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.

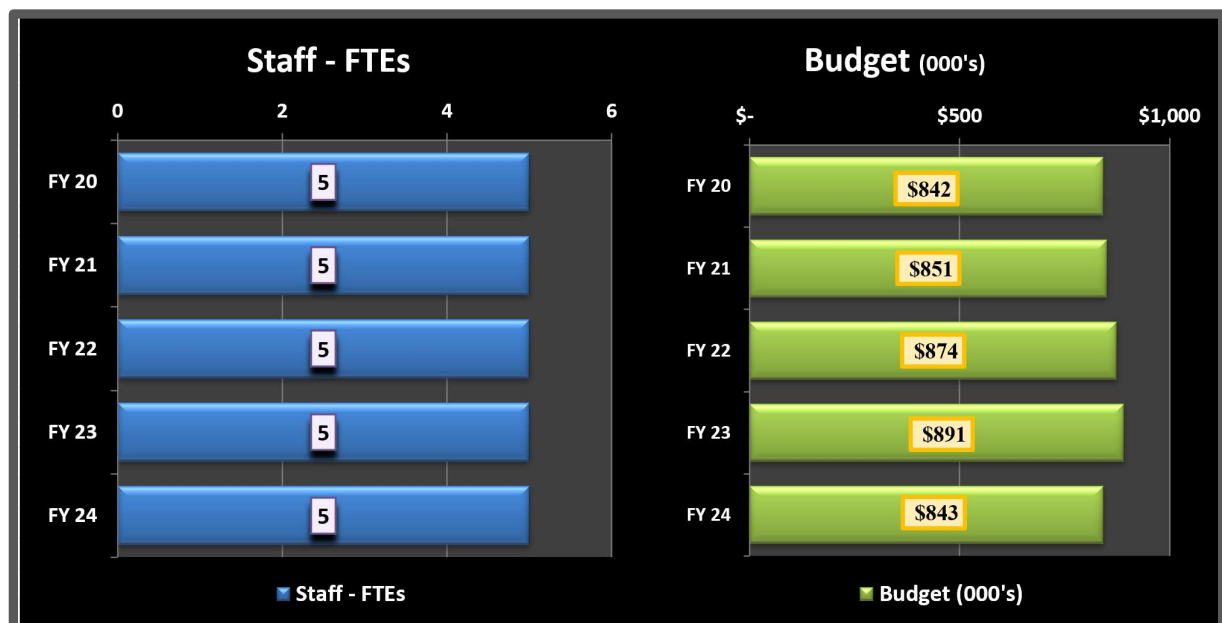
Pursuant to Sections 112.3187 through 112.31895 and Section 20.055, Florida Statutes, the Inspector General is also responsible for investigating Whistle-Blower Act complaints brought by District employees, former employees, agents, contractors, or citizens.

## OFFICE STAFF and BUDGET

During FY 2024, the Office of Inspector General consisted of the following staff:

<u>Position</u>	<u>Certifications</u>
<b>Inspector General</b>	<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>
<b>Lead Consulting Auditor</b>	<i>Certified Public Accountant (CPA)</i>
<b>Lead Consulting Auditor</b>	<i>Certified Public Accountant (CPA)</i>
<b>Lead Consulting Auditor</b>	<i>Currently Vacant</i>
<b>Executive Assistant</b>	

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 2024.

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## 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 2024, 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:

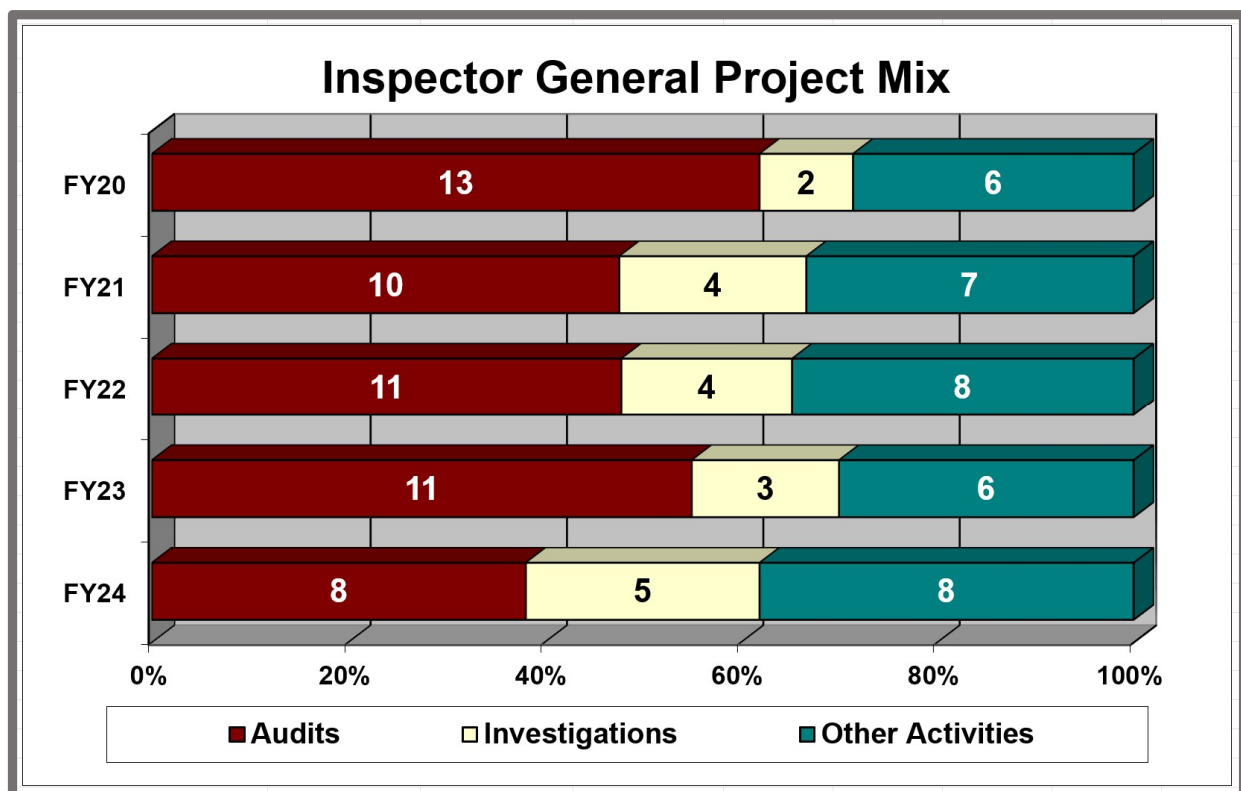
- Association of Inspectors General
- American Institute of Certified Public Accountants
- Institute of Internal Auditors
- Association of Local Government Auditors
- Institute of Management Accountants
- Information Systems Audit and Control Association
- Association of Certified Fraud Examiners

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## 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:



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## AUDITS & REVIEWS

In FY 2023-2024, the Office of Inspector General focused on performance auditing and completed 8 audit and review projects. Performance audits include economy & efficiency, program compliance, and results. A summary of each report follows.

### **Audit of Land Sales Proceeds** ***Project No. 22-24***

Our audit objective primarily focused on determining whether surplus land sales proceeds were adequately accounted for in accordance with applicable laws, rules, regulations and policies.

The Audit of Land Sales Proceeds concluded that the District has an adequate process in place to ensure that surplus land sales proceeds are adequately accounted for in accordance with applicable laws, rules, regulations, and policies. Specifically, the Administrative Services Division has a process in place to segregate surplus land proceeds in restricted revenue accounts to ensure that proceeds from sale of surplus lands are adequately accounted for. In addition, the Real Estate Bureau and the Administrative Services Division complied with applicable state statutes, requirements and procedures relating to the use of surplus land proceeds. Compliance with applicable State statutes; for example, relevant Sections of 373.089 and 373.139, F.S., are referenced in the District's Governing Board resolutions for surplus land sales/exchanges/grant easements.

In addition, the District worked closely with DEP to ensure compliance. During Fiscal Years 2015–2022, the District generated \$26,447,477 from land disposal related transactions, which consisted of \$25,659,907 from surplus land proceeds and \$787,570 in related interest revenue.



The following table summarizes the surplus proceeds, usages, and balances.

<b>Summary of Surplus Proceeds from Land Dispositions, Exchanges, and Easements by Fund for Fiscal Years 2015 - 2022</b>			
<b>Revenue Category</b>	<b>Revenue</b>	<b>Usage</b>	<b>Balance</b>
<b>Save Our Everglades Trust Fund – Usage Prohibited by DEP</b>			
Restricted Surplus	\$ 2,679,149	\$ 0	\$ 2,679,149
Interest Income (As of August 2023)	\$ 229,745	\$ 0	\$ 229,745
<b>Total</b>	<b>\$ 2,908,894</b>	<b>\$ 0</b>	<b>\$ 2,908,894</b>
<i>DEP instructed the District not to utilize any SOETF surplus related funds. The District complied and is awaiting DEP's guidance regarding whether to spend or remit \$2,908,894 in surplus revenue and interest income from the sale of lands initially acquired with SOETF funds.</i>			
<b>Water Management Land, Preservation 2000, and Florida Forever Trust Funds</b>			
Restricted Surplus	\$ 14,250,281	\$ 10,347,684	\$ 3,902,597
Interest Income	\$ 557,825		\$ 557,825
Unexplained Remittance – Possibly Erroneous			\$ 173,544
<b>Total</b>	<b>\$ 14,808,106</b>	<b>\$ 10,347,684</b>	<b>\$ 4,633,966</b>
<i>DEP approved the District's use of \$10,347,684 of the proceeds totaling \$14,250,281; however, subsequently requested remittance of unspent revenue and interest income to DEP. The District remitted \$4,633,966 to DEP; however, based on documentation provided by the Administrative Services Division, it appears the remittance included \$173,544 in error.</i>			
<b>Ad Valorem Funds – Non-Restricted and Restricted Uses</b>			
No Restrictions on Surplus Usage	\$ 1,785,106	Acquired for Administrative Use	
Restricted Surplus	\$ 6,945,371	\$ 3,319,713	\$ 3,625,658
<b>Total</b>	<b>\$ 8,730,477</b>	<b>\$ 3,319,713</b>	<b>\$ 3,625,658</b>
<i>Balance is primarily encumbered in the Fiscal Year 2023-2024 budget for future land acquisition for CERP and Everglades Restoration projects.</i>			
<b>Total Disposal Proceeds</b>	<b>\$ 26,447,477</b>		

We made four recommendations to improve the administration of sales proceeds. Management concurred with all the recommendations.

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**Audit of Land Lease Compliance**  
***Project No. 23-15***

The Audit of Land Lease Compliance primarily focused on assessing the effectiveness of the monitoring process to ensure lessees adhere to lease provisions. The audit concluded that the District has an adequate process in place to ensure that lessees are complying with land lease agreements. Specifically, the Land Stewardship Section conducted semi-annual inspections, and the Land Stewardship Section and the Real Estate Bureau evaluated each lessee's performance annually. We also concluded that primary lease agreement provisions were adequately reflected in semi-annual inspection forms and annual performance reviews.

We did find an insufficient process in place to track the resolution of identified deficiencies. We performed four site inspections with land managers and did not observe any major issues. We made 11 recommendations to improve land lease administration operations.

**Monitoring Review of Construction Change Orders as of September 2023**  
***Project No. 24-06***

The Monitoring Review of Construction Change Orders as of September 2023 scope covered the change orders that were approved between October 1, 2023 through September 30, 2023 (the "Review Period"). The review 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 is within industry averages. Fifty-seven (57) change orders were executed during this period, affecting 22 different contracts. The amount of these change orders totaled \$14,533,651. We found that the change orders were accurately calculated and documentation was accurately input into eBuilder.

We also identified all construction contract change orders that the Governing Board authorized through resolutions during the Review Period. During the Review Period, the Governing Board approved two change order resolutions. We noted that both resolutions were documented with corresponding change orders approvals by District management located in eBuilder. The total amount of change orders authorized by Governing Board resolution for the

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Review Period was \$2,330,177. Actual change orders executed under these authorizations was \$2,157,618, or \$172,559 less than the authorized amounts.

The change order average percentage for this review period was calculated at 12.1% with all contracts considered, and 4% with outlying contracts removed. Two change orders were considered as outliers and not indicative of a change order rate resulting from design and technical review errors or omissions. Both calculations (with and without outliers) were within or well below the industry average of 8-14%.

### **Monitoring Review of Construction Change Orders as of March 2023** ***Project No. 24-06***

The Monitoring Review of Construction Change Orders as of March 2023 scope covered the change orders that were approved between October 1, 2023 through March 31, 2024 (the “Review Period”). The review 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 were within industry averages. Fifty-eight (58) change orders were executed during this period, affecting 21 different contracts. The amount of these change orders totaled \$17,772,557. We found that the change orders were accurately calculated and documentation was accurately input into eBuilder.

We also identified all construction contract change orders that the Governing Board authorized through resolutions during the Review Period. During the Review Period, the Governing Board approved three change order resolutions. We noted that these resolutions were documented with corresponding change order approvals by District management located in eBuilder. The total amount of change orders authorized by Governing Board resolution for the Review Period was \$24,121,803. Actual change orders executed under these authorizations were the same amounts.

The current change order average percentage for this review period was calculated at 19.2% with all contracts considered, and 4.8% with outlying contracts removed. Two change orders were considered as outliers and not indicative of a change order rate resulting from design and technical review errors or omissions. Design-build contracts were excluded from our analysis since they would be considered outliers due to the nature of such contracts. The calculation excluding the outliers was well below the industry average of 8-14%.

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***Audit Recommendations Follow-Up Report for 7/1/23 – 9/30/23***  
***Project No. 24-01***

This report on the implementation status of audit recommendations was for the period July 1, 2023 through September 30, 2023 (the “Fourth Quarter of FY 2023 Reporting Period”). As of September 30, 2023, for previously issued audit reports, 13 recommendations were not yet Fully Implemented. During the Fourth Quarter of FY2023 Reporting Period, seven (7) of these recommendations were Fully Implemented. In total from all reports, six (6) recommendations were In-Process of being implemented as of September 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 September 30, 2023, three (3) of the recommendations had been Fully Implemented, and two (2) had been Partially Implemented.

***Audit Recommendations Follow-Up Report for 10/1/23 – 12/31/23***  
***Project No. 24-08***

This report on the implementation status of audit recommendations was for the period October 1, 2023 through December 31, 2023 (the “First Quarter of FY 2024 Reporting Period”). As of September 30, 2023, for previously issued audit reports, six (6) recommendations were not yet Fully Implemented. During the First Quarter of FY 2024 Reporting Period, two (2) recommendation were Fully Implemented. During the First Quarter of FY 2024 Reporting Period, seven (7) 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, seven (7) recommendations were In-Process of being implemented as of December 31, 2023.

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***Audit Recommendations Follow-Up Report for 1/1/24 – 3/31/24***  
***Project No. 24-11***

This report on the implementation status of audit recommendations was for the period January 1, 2024 through March 31, 2024 (the “Second Quarter of FY 2024 Reporting Period”). As of December 31, 2024, for previously issued audit reports, seven (7) recommendations were not yet Fully Implemented. During the Second Quarter of FY 2024 Reporting Period, one (1) recommendation was Fully Implemented. In total from all reports, six (6) recommendations were In-Process of being implemented as of March 31, 2024.

***Audit Recommendations Follow-Up Report for 4/1/24 – 6/30/24***  
***Project No. 24-16***

This report on the implementation status of audit recommendations was for the period April 1, 2024 through June 30, 2024 (the “Third Quarter of FY 2024 Reporting Period”). As of March 31, 2024, for previously issued audit reports, six (6) recommendations were not yet Fully Implemented. During the Reporting Period four (4) of these recommendations were implemented. In total for all reports, two (2) recommendations were In-Process of being implemented as of June 30, 2024.

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## 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. Our investigation included an evaluation of the evidence to determine whether the alleged improprieties were:

- **Unfounded:** The allegation is false or not factual.
- **Exonerated:** The allegation occurred but was lawful and proper.
- **Not Sustained:** Insufficient evidence to prove or disprove the allegation(s).
- **Sustained:** The allegation is supported by sufficient evidence to justify a reasonable conclusion that it occurred and was improper or unlawful.

In FY 2023-2024, the Office of Inspector General completed 5 investigations. The following sections include a short summary of each of these projects.

### **Investigation of Complaint Re: ASR Test Well Program, Contract No. 463985 *Project No. 22-19***

We received a complaint concerning the District contract for the C-38N & C-38S ASR Test Well Programs, Contract No. 463985. The complaint concerned only Work Order Numbers 10 & 11. A subcontractor alleged contract improprieties by the prime contractor, Stantec. The subcontractor performed services between 1/18/2022 and 6/13/2022, for a total invoiced amount of \$105,408.53.

Several of the concerns were related to disputes between the prime contractor and subcontractor, which required resolution between the two parties and did not require investigation. We did identify the following two allegations in the complaint that we determined required our Office to investigate:

- The prime contractor instructed the subcontractor to perform work for another project but charge the time and per diem to the C-38S project.
- At the request of the prime contractor, the subcontractor applied to the District for SBE Certification. The SBE certification was issued effective June 2, 2022. Stantec

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discontinued the subcontractor's services shortly after this date. The Subcontractor suspected that Stantec may have claimed all the work performed prior to June 2, 2022 towards their required SBE goal.

Our conclusions regarding the two (2) specific allegations are as follows:

- The allegation that Stantec's directed the subcontractor to charge time to another project was not sustained due to insufficient evidence to either prove or disprove the allegation.
- The allegation that Stantec report SBE utilization for services rendered by the subcontractor prior to the subcontractor's SBE Certification was sustained due to sufficiently verifiable evidence that the alleged actions occurred.

### **Investigation of Complaint Regarding PB Downs Training Center Lease *Project No. 24-05***

We received a complaint from a citizen (the "Complainant") expressing certain concerns regarding the Palm Beach Downs Training Center (PB Downs) and the West Delray Beach Regional Park (Park). Both properties are owned by the SFWMD

The Complainant made a number of allegations concerning inappropriate use of the Park as well as a number of concerns regarding activities at the PB Downs property. Following is a summary of our conclusions regarding the various allegations and concerns.

#### **Conclusions Re: The West Delray Beach Regional Park Concerns**

- The allegations regarding Park rule violations were Not Sustained since we have insufficient evidence to prove or disprove the allegations. Management requested the agencies responsible for Park rule enforcement to increase their oversight and enforcement of the parks rules and allowed uses.
- The property does not have a conservation easement; thus, the question of whether radio-controlled planes and boats are allowable on the property is not relevant; thus, the allegation is Unfounded.
- The allegation regarding the lack of slopes for the lake shorelines is Not Sustained due to insufficient information since it would require specialized surveying equipment and

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expertise; however, we recommend management consider examining the matter further to determine whether the lakes present a hazard to citizens visiting the park.

### **Conclusions Re: Palm Beach Downs Training Facility Concerns**

- The question as to whether the dormitory facility is used only for those purposes specified in the lease is Not Sustained due to conflicting information; thus, we could neither prove nor disprove the allegation.
- The allegation that the dormitory was cited for a number of code violation by the PBCFR is Sustained; however, these violations have since been corrected and cleared by the PBCFR.
- We confirmed that fill materials were brought onto the property; however, the materials were not sewage waste but rather were waste materials from a water treatment plant. The materials were found to contain no harmful amounts of contaminants. Management had sufficiently addressed this issue with the tenant. Although we concluded that this allegation is Unfounded, we recommended that management follow up to ensure that the corrective actions noted in the District's Environmental Science Units assessment are completed.
- We confirmed that the gate and fence were removed from the property; however, they were removed to rectify a right-of-way encroachment issue. Although this allegation was Exonerated due to the gate and fence being removed for a valid reason, we recommended that management follow up to ensure the new gate and fence are installed.



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## **Investigation of Complaint Regarding ERP Permit for Sierra Ranch Project No. 24-07**

We received a complaint concerning a District Environmental Resource Permit (ERP) issued to Lennar Homes (Developer) that authorized the construction and operation of a Stormwater Management System (SWM) and Water Preserve Area serving 89.1 acres of residential development known as Sierra Ranch located in the Town of Davie, Broward County, Florida. The project was designed with 79 homesites. The SFWMD's ERP permit included constructing a 6-acre on-site lake and enhancing 24 acres of on-site wetlands into a natural Water Preserve Area Basin. The project also entailed a permit issued by the Central Broward Water Control District (CBWCD) that entailed constructing a 35-foot open water channel along the shoreline boarding the buildable lots.

On May 26, 2021, Lennar Homes LLC granted to the CBWCD a Drainage, Flowage and Storage Easement, along with a companion Lake Maintenance Easement to provide for a 35-foot open-water channel that borders the shoreline of the building lots for the Sierra Ranch development to provide drainage, retention, and flowage.

The Complainant's concerns are summarized into the following three specific allegations:

- 1) The design drawings contained conflicting cross-sections regarding the open-water channel, with one showing a 7-foot depth and another a 10-foot depth.
- 2) The surveyor, Joseph Martin, (the "Surveyor") signed the as-built survey submitted to the SFWMD on 12/10/2021. The survey states that the drawings reflect their findings as per a field survey performed on 12/01/2021. The Surveyor signed the as-built survey submitted to the CBWCD on 8/9/2023, approximately 20 months later. The Complainant further asserts that the as-built survey drawings submitted to the CBWCD are identical and based on the same 20-month-old 12/01/2021 field survey data, with the sign-off date being the only difference between the two.
- 3) The final as-built surveys submitted to the SFWMD (District) and CBWCD do not reflect the actual final site conditions as constructed by the Developer. Specifically, the Complainant alleged that the width and depth dimensions of the open water channel construction, along the shoreline boarding the homesites, are both less than the dimensions shown on the as-built surveys. Further, the actual depth in many areas is

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still less than 7 feet (even using the shallower depth in the ambiguous design documents). According to the Complainant, the narrower and shallower open-water channel has resulted in wetland plants (native and non-native nuisance species) propagating near the shoreline and throughout the area where the open water channel/buffer between the homes and the wetland marsh areas.

Following is a summary of our conclusions regarding each allegation.

**Conclusion Re: Design Depth Discrepancy:**

The line presumed to be the Control Water Elevations on both of the “Preserve Cross-Section” were not labeled and may have represented something else; therefore, we could not definitively determine whether the differences between the drawings represented discrepancies. The as-built plans showed the open-water channel was constructed with a base elevation of -4.6 feet NGVD, which was consistent with the cross section shown on a different page of the drawings. Considering that the Control Water Elevations are not labeled on the apparent conflicting drawings there was insufficient evidence to prove or disprove this allegation; thus, the allegation was Not Sustained.

**Conclusion Re: Survey Field Work Not Updated Between As-Built Submissions:**

Evidence supported the allegation that the survey filed work was not updated between the as-built’s submitted to the SFWMD and the CBWCD; thus, the allegation was Sustained.

**Conclusion Re: As-Built Not Reflecting Actual Site Conditions:**

The Consultant’s drawings showed that the open-water channel depth is shallower than the depth shown in the as-built survey that was submitted to the CBWCD with a sign-off date of 8/9/2023. The Consultant’s report states that their field survey took place on September 22<sup>nd</sup> and 25<sup>th</sup>, 2023, only 44 to 47 days later. However, the as-built survey states that “this drawing reflects our findings per a field survey performed on 12/01/2021”, approximately 20 months prior to the sign-off date. It should be noted that, although both surveys do show very different results, both were performed by license professionals and any conclusions reached by us were limited to comparing the results of the two surveys. We did not represent to have

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the proficiencies to assess the credibility of one survey over the other; however, we did offer the following observations:

- Considering the short period of time between the as-built survey sign-off date on the survey submitted to the CBWCD and the field survey performed by the Complainant's Consultant, there was a low probability that the conditions changed significantly during such a short period of time (44 to 47 days).
- Considering the 20-month period between the sign-off date and the actual field survey for the survey submitted to the CBWCD, it is conceivable that the as-built survey did represent the actual site conditions on the indicated field survey date of 12/01/2021, but that the conditions changed over the following 20-month period due to erosion in the open-water channel.

The three allegations addressed in this investigation were all issues concerning only the open-water channel. It should be noted that construction of the open-water channel was regulated by the permit issued by the CBWCD. The SFWMD's ERP permit covered the Stormwater Management System and enhancements to the Water Preserve Area; thus, regardless of the conclusion presented regarding each of the specific allegations concerning the open-water channel, we did not find any improprieties by District staff regarding the SFWMD's ERP permit.

### **Governor's Executive Order #20-44 Annual Update** ***Project No. 24-15***

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

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- 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.
  - 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 did 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".

### **Investigation of RFP #60000001529 Potential Conflict of Interest Re: RFP Project No. 24-18**

The District solicited Request for Proposal (RFP) #60000001529, which was titled, "Professional Engineering Services for Gravity Control Structures, Canal/Levee Refurbishments and Low Hazard Impoundment". The RFP addressed the need to contract external professional engineering services to facilitate the delivery of the District's capital improvement and restoration projects. An Evaluation Committee was formed to score the proposals, consisting of 5 District employees. The RFP process resulted in selecting 13 firms for these contracts.

When proposals are received, the District's procurement process includes holding an RFP kickoff meeting with the Evaluation Committee members. The members are provided a list of firms that responded to the RFP solicitation. Each Evaluation Committee member is provided the Rules of Conduct for Evaluation Committee Members form and the Open Government Acknowledgement Form. The Procurement Contract Specialist provides instructions regarding both forms. The Rules of Conduct for Evaluation Committee Members form provides space to list any "Real, Apparent, or Potential Conflicts of Interest". Each Evaluation

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Committee member is required to sign the Conduct for Evaluation Committee Members form indicating they have read the document and fully understand its contents and intend to abide by the rules of conduct outlined in the form, as well as those outlined in the Open Government Acknowledgment Form. The Open Government Acknowledgment Form provides a space to list any “communication with proposers regarding this solicitation”. Each Evaluation Committee member is required to also sign the Open Government Acknowledgment Form indicating that “I have read and understood this acknowledgment form and I will abide by all of the rules above regarding this evaluation process.” The Procurement Contract Specialist signs each form signifying that they have provided instructions regarding the Rules of Conduct for Evaluation Committee Members and the Open Government Acknowledgment Form to all Evaluation Committee members.

We received a complaint from a concerned citizen (hereafter referred to as the “Complainant”) who believed there was a conflict of interest by a District employee, serving as a member on the Evaluation Team for RFP #6000001529. The Complainant informed us that the employee had a website where he advertised engineering services. The Complainant asserted that the employee advertising for engineering services on his company’s website had created the appearance of a conflict of interest among the engineering community due to his participation on an evaluation committee involving the procurement of engineering services.

We confirmed the existence of the website for a company established by the employee; However, no Real, Apparent, or Potential Conflicts of Interest were listed on the employee’s signed Rules of Conduct for Evaluation Committee Members form. We concluded that the employee’s ownership of an engineering company did not result in a Real Conflict of Interest; however, such ownership interest did result in an Apparent Conflict of Interest and a Potential Conflict of Interest. The employee’s business ownership of his engineering company should have been disclosed on the Rules of Conduct for Evaluation Committee Members form. The allegation that the employee advertised engineering services on his company’s website created an Appearance of Conflict of Interest and a Potential Conflict of Interest was Sustained.

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## **OTHER PROJECTS**

### **Administrative Projects**

During FY 2024, our Office completed the following administrative projects:

- Developed the Audit Plan for Fiscal Year 2024-2025 and Long-Term Audit Plan for Fiscal Years 2026-2030.
- 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, 2023.
- Coordinated the performance audit conducted by the State of Florida Auditor General.
- Coordinated the Permitting Program Review conducted by the State of Florida Office of Program Policy Analysis of Government Accountability (OPPAGA).
- Coordinated the solicitation of a Request for Proposal process for Independent Audit Services.
- Staff completed Continuing Professional Education (CPE) training to fulfill auditing standards and individual certification requirements.