



**Audit Recommendations
Follow-Up Report
For Fiscal Year 2005**

Project #05-22

**Prepared by
Office of Inspector General**

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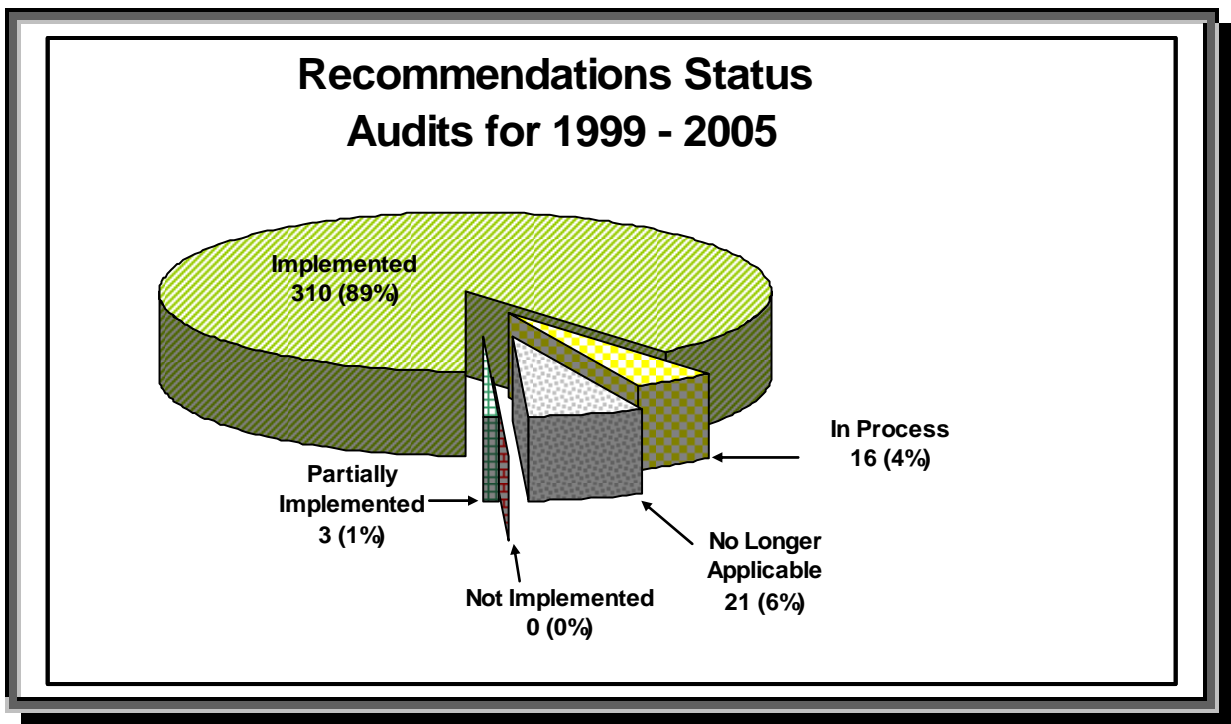
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EXECUTIVE SUMMARY

Audit recommendations target the economy and efficiency of District operations and compliance with our policies and statutory responsibilities. Our recommendations also focus on providing District management with suggestions that facilitate their achievement of program goals and objectives. To be effective, audit recommendations must be implemented. Additionally, *Government Auditing Standards* require following up on audit recommendations in previously issued audit reports. Accordingly, the Inspector General's Office periodically surveys departments to determine the implementation status of recommendations and to encourage their completion. This information is maintained in the Inspector General's audit recommendation tracking database. The system allows each audit staff member to update their recommendation's "status" after reviewing information provided by the Departments and Offices.

This report on the implementation status of audit recommendations is for the seven fiscal years 1999 through 2005. We are pleased to report that District management has satisfactorily addressed most of our 350 audit recommendations as shown in the following graph.



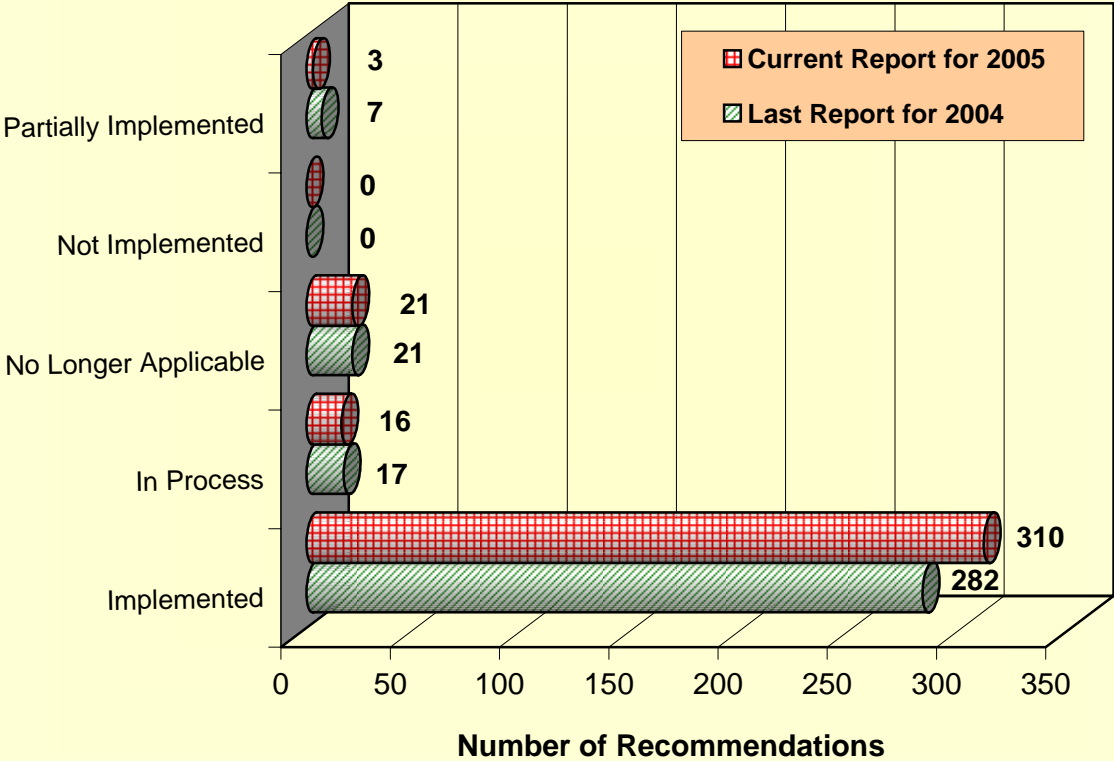
Comparing the status of recommendations between this year’s report and that of last year shows an improvement in the “Implemented” category from 86% to 89%, as shown in the graph on the following page. Conversely, the “In Process”, “No Longer Applicable”, and “Partially Implemented” categories were slightly lower than the prior year. **Notable is that no recommendations fell into the “Not Implemented” category for the current and previous years.** The “No Longer Applicable” category includes items where conditions have changed subsequent to issuance of the audit report that rendered the recommendation no longer relevant, such as:

- Alternative compensating controls have been put in place.
- A decision was made to implement a new system that will address the issue making it impractical to retrofit the existing system (e.g. eQuest, IRIS, ePermitting, etc).
- The policy, statute, or rule has changed (e.g. repeal of the MBE Rule).

FY 2005 Compared to FY 2004

OIG Status Of Recommendations	2005	%	2004	%
Implemented	310	89%	282	86%
In Process	16	4%	17	5%
No Longer Applicable	21	6%	21	7%
Not Implemented	0	0%	0	0%
Partially Implemented	3	1%	7	2%
TOTAL	350		327	

**Recommendation Status
 FY 2005 vs. FY 2004**



Audit Name	Audit No.	Implemented	In Process	No Longer Applicable	Not Implemented	Partially Implemented
Review of the New Budget Process	05-14		1			
Audit of Construction Management Practices	05-10	9	1			
Audit of the District's Fleet Operations	04-08	3	5			
Audit of Cooperative Agreements	04-02	4				
Audit of the Real Estate Appraisal Process	03-15	9		1		
Audit of Implementation of CERP	03-07	3	3			1
H & H Modeling Services	03-04	2				
Audit of the District's Public Information and Outreach Program	02-23	9				
Audit of the Water Supply Plans Implementation	02-22	3	2			
Audit of the Interim Land Management Program	02-21	13				
District Outsourcing Study	02-19	2		3		
Audit of Lake Okeechobee Protection Act	02-17	3				
Broward Tax Collector Costs & Excess Fee Refund	02-14	1				
Proposed Upgrade/Replacement of SCADA System	02-13	2				1
Audit of District Training Programs	02-06	9				
Finance/Payroll Change Control, Backup & Recovery Process Controls	01-21	5				
Audit of Water Use Permitting	01-20	12	1	1		
Governing Board "Breakfast" Meetings Investigation w/ Sunshine Law	01-19	4				
Audit of Capital Maintenance Protocol	01-18	6				
Audit of Claimed Interest Costs-Foster Wheeler Environmental Co-#C8301	01-17		1			
Everglades Construction Project Cooperative Agreements	01-14	5				
Hydrologic Modeling Program	01-11	4	2			1
Post Implementation, Computerized Maint. Management Sys.	01-10	5		1		
Investigation of Okeechobee Service Center Complaint	01-09	3				
Audit of Land Acquisitions	01-07	7				

Office of Inspector General
Audit Recommendations Status

Audit Name	Audit No.	Implemented	In Process	No Longer Applicable	Not Implemented	Partially Implemented
Quarterly Voucher Audit	01-04	11				
Human Resources Follow-up	01-03	1				
Review of Contracting Practices	01-01	3				
Audit of the Prescribed Burning Program	00-16	8				
Hurricane Freddy Exercise After Action Self Assessment	00-13	30				
Diver Program Study	00-11	3				
Software Licensing Compliance Audit	00-09	5				
Audit of Outside Legal Costs	00-07	8				
Cash Management Audit	00-05	6				
Small Purchasing Practices	00-04	15		2		
Review of Water Quality Monitoring Programs	00-03	4				
Study of the Span of Control	99-28	4		2		
Permitting of District Works	99-27	7				
Computer Services Work Order Contract Review	99-26	4		5		
Fleet Management Investigation	99-20	3				
Audit of the Mitigation Banking Program	99-18	6				
Investigation of Willing Seller Program in 8 1/2 Square Mile Area	99-17	1		1		
Non-merit Salary Actions	99-14	4				
Vegetation Management Program	99-13	11				
Implementation of the Procurement Redesign	99-12	2		4		
Audit of Leased Worker Program	99-10	9		1		
Audit of Environmental Regulation Compliance Division	99-09	5				
Follow-up on State Auditor Report	99-05	6				
STA 3/4 Pre-Award Audit - Nodarse & Associates	99-04	28				
STA 3/4 Pre Award Audit - Burns & McDonnell	99-02	1				
EAA Permit Fee Investigation	99-01	2				
Number of Audits	51					
Total Recommendations	350	310	16	21	0	3

Status of Recommendations Not Fully Implemented

Audit No.	Audit Name		
Recommendation	Current Status	Auditor's Comment	
01-11	Hydrologic Modeling Program		
# 2	The District should adopt a formal System Development Life Cycle process for model development including design, development, testing, implementation, and maintenance (change management) with all the necessary authorizing documentation (audit trail) for the steps in the process. Original Due Date: 9/20/2002 Revised Due Date: 9/30/2006	In Process	There is a tier II project to implement the capability maturity model to level 2 plus peer review by the end of FY06. The tier II project (Sa01) also includes level 3 CMM implementation, but that runs until the beginning of FY08. Auditor Update: 11/28/2005
# 5	Ensure that a disaster recovery backup copy of the server data is created and stored at an off-site location. Original Due Date: 10/10/2002 Revised Due Date: 9/30/2006	In Process	IT is developing and implementing a disaster recovery plan. HESM also makes CD/DVD copies of its critical models and stores them in the EOC. Auditor Update: 11/28/2005
# 7	Efforts to replace the Sun/Solaris Workstations for District modelers with the less expensive power PC/Linux configuration utilizing public domain software should be completed. Original Due Date: 7/31/2003 Revised Due Date: 9/30/2006	Partially Implemented	This requires the full porting of the 2x2 model to the Linux platform. The IMC is working on this. Only 2x2 modelers still possess Sun workstations. New modeling efforts do not include Sun/Solaris solutions. The RSM is developed and maintained on the Linux platform today. Auditor Update: 11/28/2005
01-17	Audit of Claimed Interest Costs-Foster Wheeler Environmental Co-#C8301		
# 1	If Management determines that interest charges are allowable under the Bank contract, we recommend that FWENC's claimed imputed interest be offset by the District's land and staff costs in the cost of money interest calculation. Original Due Date: 9/30/2002 Revised Due Date: 9/30/2006	In Process	No recent progress has been made in resolving this issue. District staff responsible for the Mitigation Bank will prepare a briefing of the issues for management review and discussion. A strategy for resolving the issue will then be developed. Auditor Update: 11/29/2005

Audit No.	Audit Name
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Recommendation	Current Status	Auditor's Comment
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01-20	Audit of Water Use Permitting	
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# 4	Consider a permit condition that encourages electronic entry of required data by water use permit holders.	In Process	The District Leadership Team decided that e-permitting would be designed and implemented by a District IT team working as part of a larger inter-District team of IT specialists. We've been told that implementation of e-permitting will occur within the first quarter of FY 2006. Once e-permitting has been deployed, the IT team will then begin building an e-reporting system for the compliance units District-wide. The IT project manager anticipates that deployment of e-reporting will occur during the 4th quarter of FY 2006.
	Original Due Date: 12/31/2003		Auditor Update: 11/17/2005
	Revised Due Date: 12/31/2006		

02-13	Proposed Upgrade/Replacement of SCADA System	
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# 2	The site survey should be validated to ensure that surveyed sites are necessary and do not duplicate existing or projected new sites.	Partially Implemented	The SCADA and Hydro Data Management Department commissioned the following studies: 1. Enhancement of Stage Monitoring Network for Greater Everglades Wetland Areas (completed October 2004); 2. Pilot Study for Flow and Stage Network Optimization (completed August 2005) 3. Rain Gage Network Optimization Study for the South Florida Water Management District (ongoing - anticipated completion April 2006) 4. SCADA 10-Year Strategic Plan (ongoing - updated growth projections anticipated February 2006).
	Original Due Date: 9/30/2003		Auditor Update: 11/29/2005
	Revised Due Date: 9/30/2006		

02-22	Audit of the Water Supply Plans Implementation	
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# 2	Re-examine water supply plan recommendations receiving zero or minimal funding to determine if the recommendation should be repeated in or deleted from the Regional Water Supply Plans updates.	In Process	The schedule for updating of our water supply plans was modified as a result of Senate Bill 444 which significantly changed the role of water supply plans and created a new state funding source for alternative water supply development. All recommendations of the original water supply plans will be reexamined both in light of our commitment to implement the audit recommendation and to ensure consistency with the changes to state law requirements. Board approval of all four updated plans is now scheduled for July 2006. All recommendations will be examined during updates of the water supply plans for which two of the four plans have been completed.
	Original Due Date: 12/31/2005		Auditor Update: 12/2/2005
	Revised Due Date: 7/1/2006		

Audit No.	Audit Name
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Recommendation	Current Status	Auditor's Comment
<p># 4 In each planning region, plans should be solicited from local governments and utilities on their expected future growth and water supply needs along with their plans for implementation of water supply development projects to meet these projected needs as was done in the Lower East Coast plan.</p> <p>Original Due Date: 1/31/2005 Revised Due Date: 7/1/2006</p>	In Process	<p>The timeframes have changed due to the enactment of Senate Bill 444, but the requirements of the new law have strengthened this aspect of the planning process. The SB 444 sets aside 80 percent of state and District funding for projects listed in an updated water supply plan. It also requires local governments to update the water facilities element of their comprehensive plan consistent with the water supply plan within 18 months of the Board's approval of a plan update. The Legislative action endorsed and enhanced this recommendation.</p> <p>Auditor Update: 12/2/2005</p>

03-07	Audit of Implementation of CERP
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<p># 1 Establish an action plan to have all In-kind Credit Request Reports and Quarterly Financial Reports up to date no later than April 6, 2004 - the end of the first five-year monitoring period.</p> <p>Original Due Date: 9/30/2003 Revised Due Date: 9/30/2006</p>	Partially Implemented	<p>The in-kind credit request reports are complete; however, budget values are still not available for the quarterly reports.</p> <p>Auditor Update: 11/28/2005</p>
<p># 2 Work with the USACE in generating a rollout report of all CERP expenditures.</p> <p>Original Due Date: 9/30/2004 Revised Due Date: 9/30/2006</p>	In Process	<p>Cannot estimate date due to the fact that the USACE is the lead agency.</p> <p>Auditor Update: 11/28/2005</p>
<p># 5 Create a separate indirect cost pool for Land Resources.</p> <p>Original Due Date: 9/30/2003 Revised Due Date: 9/30/2006</p>	In Process	<p>This task is expected to be implemented with the conversion to the new financial software (SAP) where the use of multiple cost pools will be easier to develop and manage.</p> <p>Auditor Update: 11/28/2005</p>
<p># 7 Consider having the same auditor perform a combined audit covering expenditures of both entities or engage an auditing firm to audit the USACE's CERP expenditures.</p> <p>Original Due Date: 6/30/2004 Revised Due Date: 9/30/2006</p>	In Process	<p>The USACE is in the process of implementing a CGM which provides for federal review of District expenditures on an annual basis and grants credit in a timely manner. The District has no plans to audit USACE expenditures.</p> <p>Auditor Update: 11/28/2005</p>

Audit No.	Audit Name
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Recommendation	Current Status	Auditor's Comment
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04-08	Audit of the District's Fleet Operations	
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# 1	Consider implementing a charge-back system concurrent with the eQuest Project.	In Process	Fleet is working with the eQuest Team to include charge-back capabilities in SAP's Maintenance Management Module. Thus, implementation is not expected until the completion of SAP.
	Original Due Date: 10/1/2006		Auditor Update: 11/29/2005
	Revised Due Date: 10/1/2006		
# 2	Consider reimbursing employees for use of their own vehicles rather than maintaining an internal or commercial administrative motor pool and using a rental car company as a last resort backup.	In Process	After numerous meetings and cost benefit analyses, senior management decided that it would be best to reinstate the District's Internal Motor Pool using leased vehicles. A contract proposal to replace the Enterprise rental vehicles with 20 vehicles on a three-year closed end lease will be presented to the Governing Board in December 2005.
	Original Due Date: 10/1/2005		Auditor Update: 11/29/2005
	Revised Due Date: 3/30/2006		
# 5	Review Voyager invoices more closely to detect unusual activity. In instances where unusual activity is detected, obtain and document explanations.	In Process	Voyager files are being transferred more frequently than in the past. This facilitates the search and investigation of unusual activities. Further, standard operating procedures are being developed.
	Original Due Date: 6/30/2005		Auditor Update: 11/29/2005
	Revised Due Date: 1/31/2006		
# 7	Fleet should perform a complete analysis of all contractor usage of District furnished vehicles for active contracts.	In Process	Fleet is reviewing District Vehicle Use Request Forms (Form #0317) to determine whether contractors are using District vehicles without proper authorization.
	Original Due Date: 10/31/2005		Auditor Update: 11/29/2005
	Revised Due Date: 6/30/2006		
# 8	Determine whether the District has a legal basis for a claim against the Help Desk contractor and, if so, the corresponding dollar amount of such claim.	In Process	Fleet's analysis has not been completed. Upon completion, Fleet will consult with our Office.
	Original Due Date: 12/30/2005		Auditor Update: 11/29/2005
	Revised Due Date: 6/30/2006		

05-10	Audit of Construction Management Practices	
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# 10	Develop written procedures for monitoring contracts to ensure goals and objectives are achieved.	In Process	Two of the nine sections of the Construction Project Administration manual have been drafted and two have been outlined.
	Original Due Date: 1/31/2006		Auditor Update: 11/21/2005
	Revised Due Date: 1/31/2006		

Audit No.	Audit Name
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Recommendation	Current Status	Auditor's Comment
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05-14	Review of the New Budget Process	
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<p># 1 When calculating the FY 2007 target budgets based on the previous four years, the Budget Division should consider weighing more heavily the FY05 and FY06 expenditure rate if those rates show improvement over the historic expenditure rates.</p>	<p>In Process</p>	<p>Management is on target to meet the projected completion date.</p>
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Original Due Date: 4/1/2006
Revised Due Date: 4/1/2006

Auditor Update: 11/30/2005