



**Audit Recommendations
Follow-Up Report
For Fiscal Year 2007**

Project #07-37

**Prepared by
Office of Inspector General**

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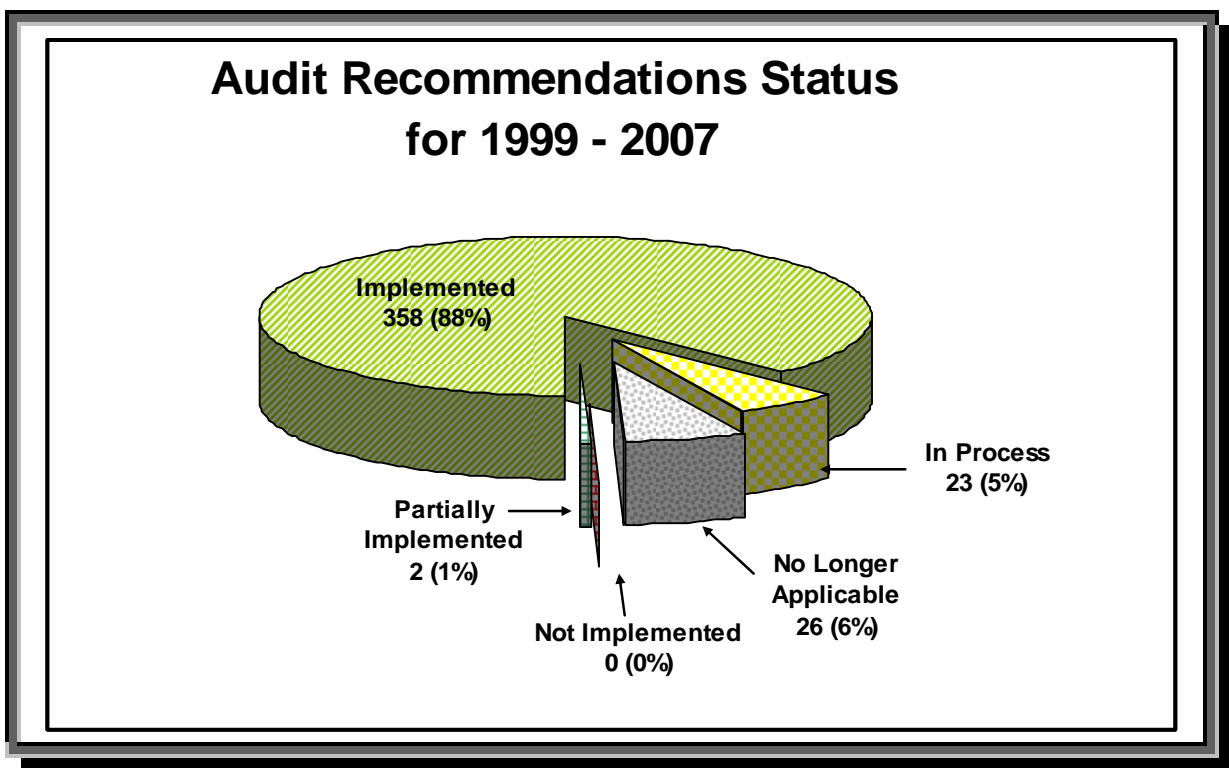
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EXECUTIVE SUMMARY

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 the recommendation's "status" after reviewing information provided by the Departments and Offices.

This report on the implementation status of audit recommendations is for the eight fiscal years 1999 through 2007. We are pleased to report that District management has satisfactorily addressed most of our 409 audit recommendations as shown in the following graph.



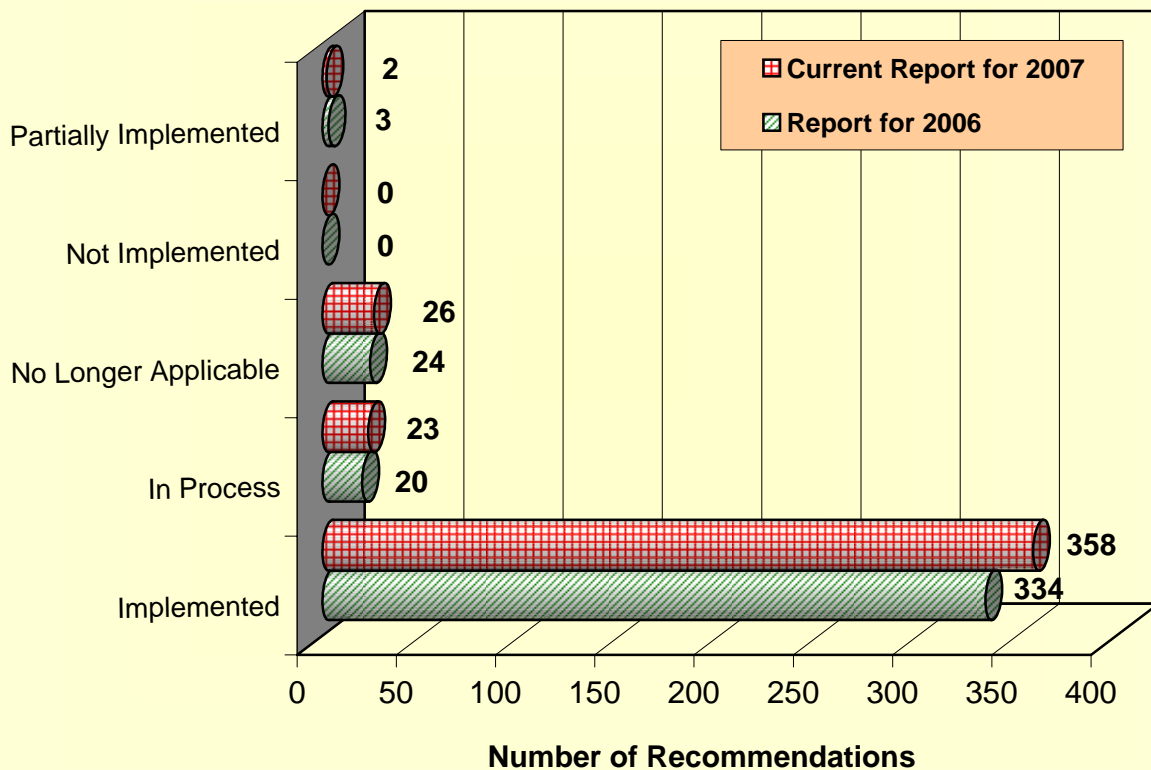
The status of recommendations in this year's report is comparable to last year's, as shown in the graph on the following page. **Notable is that no recommendations fell into the "Not Implemented" category for the current and previous years.** The "No Longer Applicable" category includes items where conditions have changed subsequent to issuance of the audit report that rendered the recommendation no longer relevant, such as: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 2007 Compared to FY 2006

Status of Recommendations	2007	%	2006	%
Implemented	358	88.0%	334	87.7%
In Process	23	5.1%	20	4.7%
No Longer Applicable	26	6.4%	24	6.3%
Not Implemented	0	0.0%	0	0.0%
Partially Implemented	2	0.5%	3	0.8%
TOTAL	409		381	

Recommendation Status FY 2007 vs. FY 2006



Office of inspector General
Audit Recommendations Status FY 2007

Audit Name	Audit No.	Implemented	In Process	No Longer Applicable	Partially Implemented
Quarterly Review of Acceler8 Expenditures for the Quarter Ended Sep 30, 2006	07-02	1			
Audit of the Administration of General Engineering Services Contracts	07-03	5			
Audit of the Alternative Water Supply Program's Funding Process	07-08		5		
Audit of the Monitoring of Water Use Permits	07-27	1	4		
Audit of the District's Process for FEMA Reimbursement	06-04	6			
Review of Controls Over Acceler8 Contract Payments	06-05	2	1		
Review of Controls Over the Acceler8 Construction Management Process	06-13	1	4		
Results of Monthly Review of Acceler8 Expenditures	06-15	1	2		
Audit of District Mitigation Banks	06-16	4			
Audit of the KRR Restoration Project In-Kind Credit Request Process	06-19	3	7		
Review of Acceler8 Contract Payments for the Quarter Ended June 30, 2006	06-29	2			
Audit of Construction Management Practices	05-10	10			
Review of the New Budget Process	05-14	1			
Review of the Procurement Process	05-15	7			1
Review of Record System for Success Indicator Reporting	05-18	2			
Audit of Cooperative Agreements	04-02	4			
Audit of the District's Fleet Operations	04-08	7		1	
H & H Modeling Services	03-04	2			
Audit of Implementation of CERP	03-07	5		2	
Audit of the Real Estate Appraisal Process	03-15	9		1	
Audit of District Training Programs	02-06	9			
Proposed Upgrade/Replacement of SCADA System	02-13	3			
Broward Tax Collector Costs & Excess Fee Refund	02-14	1			
Audit of Lake Okeechobee Protection Act	02-17	3			
District Outsourcing Study	02-19	2		3	
Audit of the Interim Land Management Program	02-21	13			
Audit of the Water Supply Plans Implementation	02-22	5			
Audit of the District's Public Information and Outreach Program	02-23	9			
Review of Contracting Practices	01-01	3			
Human Resources Follow-up	01-03	1			
Quarterly Voucher Audit	01-04	11			
Audit of Land Acquisitions	01-07	7			
Investigation of Okeechobee Service Center Complaint	01-09	3			

Office of inspector General
Audit Recommendations Status FY 2007

Audit Name	Audit No.	Implemented	In Process	No Longer Applicable	Partially Implemented
Post Implementation, Computerized Maint. Management Sys.	01-10	5		1	
Hydrologic Modeling Program	01-11	6			1
Everglades Construction Project Cooperative Agreements	01-14	5			
Audit of Claimed Interest Costs-Foster Wheeler Environmental Co-#C8301	01-17			1	
Audit of Capital Maintenance Protocol	01-18	5		1	
Governing Board "Breakfast" Meetings Investigation w/ Sunshine Law	01-19	4			
Audit of Water Use Permitting	01-20	13		1	
Finance/Payroll Change Control, Backup & Recovery Process Controls	01-21	5			
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			
EAA Permit Fee Investigation	99-01	2			
STA 3/4 Pre Award Audit - Burns & McDonnell	99-02	1			
STA 3/4 Pre-Award Audit - Nodarse & Associates	99-04	28			
Follow-up on State Auditor Report	99-05	6			
Audit of Environmental Regulation Compliance Division	99-09	5			
Audit of Leased Worker Program	99-10	9		1	
Implementation of the Procurement Redesign	99-12	2		4	
Vegetation Management Program	99-13	11			
Non-merit Salary Actions	99-14	4			
Investigation of Willing Seller Program in 8 1/2 Square Mile Area	99-17	1		1	
Audit of the Mitigation Banking Program	99-18	6			
Fleet Management Investigation	99-20	3			
Computer Services Work Order Contract Review	99-26	4		5	
Permitting of District Works	99-27	7			
Study of the Span of Control	99-28	4		2	
Number of Audits	64				
Total Recommendations	409	358	23	26	2

**Analysis of In-Process and “Partially Implemented”
Audit Recommendations**

	In Process	Partially Implemented
No. Per FY2007 Follow-Up Audit Report	23	2
No. of recommendation where status is the same as prior year.*	6	0

**Detail of In-Process and Partially Implemented Audit Recommendations
Where Status is the Same as the Prior Year**

Audit No.	Rec No.	Audit Title	Status Per FY 06 Report	Status Per FY 07 Report	Recommendation	Management Response	FY 06 Comments Regarding Status	FY 07 Comments Regarding Status
06-05	2	Review of Controls Over Acceler8 Contract Payments	In Process	In Process	Develop written procedures for approving contract payments to ensure authorized signers have a clear understanding of their responsibilities.	Acceler8 will identify a core team of Acceler8 & District Business Process Experts to assemble an Acceler8 Business Policy and Procedures Manual. The recommended members of the team include the Project Controls Supervisor, the Lead Financial Analyst, the Procurement Deputy Department Director assigned to Acceler8, the Acceler8 Construction Director (or designee) and the Deputy Program Director (or designee). The team will be responsible for drafting a manual that will include and may not be limited to contract development and modification, work order development and modification, schedule development and maintenance, budget development and maintenance, change control procedures, invoice review and approval, and project closeout.	The Program Coordinator, recently added to Acceler8's, is pulling together the documentation for all business processes within Acceler8 with the exception of Construction, which will be completed by Chief Consulting Engineer by mid-November 2006.	Presently all contract payments are reviewed by Finance staff and authorized by District staff. Further, adjustments are being made in SAP to accompany the creation of the two departments recently created: Construction and Engineering. This will align the organizational structure with technology. Additionally, the new department directors' actions plans address the expectations that payments will be approved consistent with the contracts. The codification of the Everglades Restoration Comprehensive Procedures Manual is in process. The new (2008) structure of the Everglades Resource Area as well as the implementation of SAP Project Systems is being incorporated into the matrix. The requirement for district financial personnel approval will be adopted into the written procedures.
06-13	1	Review of Controls Over the Acceler8 Construction Management Process	In Process	In Process	The Construction Procedures Manual, currently in draft form, should be finalized as soon as possible.	Construction Procedures Manual revisions are currently being performed by the Acceler8 Construction Director and Construction staff.	The Construction Procedures Manual is currently being revised. Will be completed mid to late November 2006.	The Construction Procedures Manual (Construction Project Administration Manual) is currently in final revision; it will be completed by November 30, 2007, as scheduled, and then sent to other Departments (O&M, Engineering) prior to finalizing the document.
06-13	2	Review of Controls Over the Acceler8 Construction Management Process	In Process	In Process	The scope of work in the contracts should include a provision that incorporates the Construction Procedures Manual by reference and that firms are to perform the work in accordance therewith.	Construction Management and Engineering During Construction Standard Scope of Work will be modified to include compliance with the Acceler8 Construction Procedures Manual.	The Construction Procedures Manual is currently being revised. Will be completed mid to late November 2006.	The Construction Procedures Manual is inclusive of internal District procedures and responsibilities as well as external procedures for contractors. The firms providing work for the District will be provided the appropriate references from the manual and it will be incorporated in the work orders.
06-13	3	Review of Controls Over the Acceler8 Construction Management Process	In Process	In Process	Require firms providing construction management services to sign an acknowledgement that they have received the Construction Procedures Manual.	Signed receipts will be required of the consultant performing CM and EDC services upon delivery of the Acceler8 Construction Procedures Manual. The form will be developed by the Acceler8 Construction Director.	The Construction Procedures Manual is currently being revised. Will be completed mid to late November 2006.	The Construction Procedures Manual is currently being revised. Will be completed by the end of February 2008.

Audit No.	Rec No.	Audit Title	Status Per FY 06 Report	Status Per FY 07 Report	Recommendation	Management Response	FY 06 Comments Regarding Status	FY 07 Comments Regarding Status
06-13	4	Review of Controls Over the Acceler8 Construction Management Process	In Process	In Process	Inform firms providing construction management services that the District's Office of Inspector General will be performing compliance audits to determine their adherence with the Construction Procedures Manual.	Construction Management and Engineering During Construction Standard Scope of Work will be modified to include audit notification.	The Construction Procedures Manual is currently being revised. Will be completed mid to late November 2006.	The Construction Procedures Manual is currently being revised. Will be completed by the end of February 2008.
06-15	2	Results of Monthly Review of Acceler8 Expenditures	In Process	In Process	We recommend the following regarding payment approvals: (1) Remind individuals authorizing payments to pay closer attention to the invoiced amounts and question instances when the invoiced and the payment amounts differ. (2) Remind Acceler8 staff that Mr. Ammon's approval is required for all payments over \$250,000. (3) Require that changes made to authorization forms after all management approvals have been obtained be double checked (preferably by the Acceler8's Lead Financial Analyst) for compliance with procurement policies.	This requirement will be included in the Acceler8 Business Policy and Procedures Manual, advance reminders will be given as well.	The Program Coordinator, recently added to Acceler8, is pulling together the documentation for all business processes within Acceler8 with the exception of Construction, which will be completed by Chief Consulting Engineer by mid-November 2006.	Will be included in the Everglades Restoration Comprehensive Procedures Manual.

Status of Recommendations Not Fully Implemented

Audit No.	Audit Name		
Recommendation	Current Status		Auditor's Comment
01-11	Hydrologic Modeling Program		
# 5	Ensure that a disaster recovery backup copy of the server data is created and stored at an off-site location.	Partially Implemented	IT has informed the Hydrologic & Environmental Systems Modeling department that they are in a multi phased implementation of their disaster recovery plan. They have assessed our immediate needs for phase 2, which include all of the modeling equipment necessary to support District Emergency operations. Terremark, Inc., also known as the NAP (network access point/provider) of the Americas, has been engaged and already possesses District infrastructure on their premises.
	Original Due Date: 10/10/2002		Auditor Update: 11/27/2007
	Revised Due Date: 9/30/2008		
05-15	Review of the Procurement Process		
# 8	Develop a plan to monitor P-Card activity and consider increasing the maximum threshold for both P-Cards and PD's to \$2,500.	Partially Implemented	The Bank of America "Works" software was partially implemented on 8/7/07. The complete implementation requires special programming for SAP to communicate with the "Works" software. We are working closely with our IT Department to assist in the data format. After the program is completed we will do testing, complete training for users, and then roll out the new software to all cardholders, finance, and managers. Once the benefits of the new software are proven, we will ask for an increase to the \$2,500 single purchase limit. The new target date for increasing the threshold is 3/28/08.
	Original Due Date: 9/30/2006		Auditor Update: 11/20/2007
	Revised Due Date: 3/28/2008		
06-05	Review of Controls Over Acceler8 Contract Payments		
# 2	Develop written procedures for approving contract payments to ensure authorized signers have a clear understanding of their responsibilities.	In Process	Presently all contract payments are reviewed by Finance staff and authorized by District staff. Further, adjustments are being made in SAP to accompany the creation of the two departments recently created: Construction and Engineering. This will align the organizational structure with technology. Additionally, the new department directors' actions plans address the expectations that payments will be approved consistent with the contracts. The codification of the Everglades Restoration Comprehensive Procedures Manual is in process. The new (2008) structure of the

Audit No.	Audit Name
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Recommendation	Current Status	Auditor's Comment
Original Due Date: 10/31/2006 Revised Due Date: 5/30/2008		Everglades Resource Area as well as the implementation of SAP Project Systems is being incorporated into the matrix. The requirement for district financial personnel approval will be adopted into the written procedures. Auditor Update: 11/21/2007

06-13	Review of Controls Over the Acceler8 Construction Management Process
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# 1	The Construction Procedures Manual, currently in draft form, should be finalized as soon as possible.	In Process	The Construction Procedures Manual (Construction Project Administration Manual) is currently in final revision; it will be completed by November 30, 2007, as scheduled, and then sent to other Departments (O&M, Engineering) prior to finalizing the document.
	Original Due Date: 8/31/2006 Revised Due Date: 2/29/2008		Auditor Update: 11/21/2007
# 2	The scope of work in the contracts should include a provision that incorporates the Construction Procedures Manual by reference and that firms are to perform the work in accordance therewith.	In Process	The Construction Procedures Manual is inclusive of internal District procedures and responsibilities as well as external procedures for contractors. The firms providing work for the District will be provided the appropriate references from the manual and it will be incorporated in the work orders.
	Original Due Date: 8/31/2006 Revised Due Date: 2/29/2008		Auditor Update: 11/21/2007
# 3	Require firms providing construction management services to sign an acknowledgement that they have received the Construction Procedures Manual.	In Process	The Construction Procedures Manual is currently being revised. Will be completed by the end of February 2008.
	Original Due Date: 8/31/2006 Revised Due Date: 2/29/2008		Auditor Update: 11/21/2007
# 4	Inform firms providing construction management services that the District's Office of Inspector General will be performing compliance audits to determine their adherence with the Construction Procedures Manual.	In Process	The Construction Procedures Manual is currently being revised. Will be completed by the end of February 2008.
	Original Due Date: 8/31/2006 Revised Due Date: 2/29/2008		Auditor Update: 11/21/2007

06-15	Results of Monthly Review of Acceler8 Expenditures
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# 1	We recommend that all firms providing	In Process	Staff has been instructed to approve payment
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Audit No.	Audit Name
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Recommendation	Current Status	Auditor's Comment
<p>construction management services be instructed that payments should be approved only for completed work.</p> <p>Original Due Date: 8/31/2006</p> <p>Revised Due Date: 5/30/2008</p>		<p>for work only if it has been completed. Additionally, to reduce partial work payment contracts, specific milestones have been developed in SAP project systems that will be incorporated into future Construction Management contracts. Additionally, this procedure will be codified in the procedures manual set for completion in May 2008.</p> <p>Auditor Update: 11/21/2007</p>
<p># 2 We recommend the following regarding payment approvals:</p> <p>-Remind individuals authorizing payments to pay closer attention to the invoiced amounts and question instances when the invoiced and the payment amounts differ.</p> <p>-Remind Acceler8 staff that Mr. Ammon's approval is required for all payments over \$250,000.</p> <p>-Require that changes made to authorization forms after all management approvals have been obtained be double checked (preferably by the Acceler8's Lead Financial Analyst) for compliance with procurement policies.</p> <p>Original Due Date: 10/31/2006</p> <p>Revised Due Date: 5/30/2008</p>	In Process	<p>Will be included in the Everglades Restoration Comprehensive Procedures Manual</p> <p>Auditor Update: 11/21/2007</p>

06-19	Audit of the KRR Restoration Project In-Kind Credit Request Process	
<p># 2 Submit future restoration In-Kind Credit Requests at least annually to the USACE for restoration expenses and land acquisition expenses not charged to specific tracts.</p> <p>Original Due Date: 9/30/2007</p> <p>Revised Due Date: 9/30/2008</p>	In Process	<p>According to the Director of the Kissimmee Division, the USACE is currently reviewing the restoration expenses for FYs 1992 to 2004. After this review is complete, requests for FYs 2005 and 2006 will be submitted. In addition, future claims will be submitted with five months after the end of each fiscal year.</p> <p>Auditor Update: 11/16/2007</p>
<p># 3 Remind the USACE that the District is awaiting a response to the request for approval to use the same fringe benefit and indirect cost rates as those approved for CERP.</p> <p>Original Due Date: 12/31/2007</p> <p>Revised Due Date: 9/30/2008</p>	In Process	<p>Staff are still following up on this issue.</p> <p>Auditor Update: 11/13/2007</p>
<p># 4 Ensure that all eligible fringe benefit and</p>	In Process	Land Acquisition & Land Management

Audit No.	Audit Name
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Recommendation	Current Status	Auditor's Comment
indirect costs are claimed for in-kind credit in all future submissions.		Department, Watershed Management, and Accounting Division staff are still working to reconcile some of the fringe benefits and indirect costs that were not submitted by tract number. The reconciliation is anticipated to be complete by Feb. 28, 2008. In addition, the Department is on schedule to submit the FY 07 costs by Feb. 28, 2008.
Original Due Date: 2/28/2008		Auditor Update: 11/13/2007
Revised Due Date: 2/28/2008		
# 5 Determine the amount of unclaimed expenses incurred for environmental assessments and submit a claim for these expenses as construction costs.	In Process	Land Acquisition and Land Management staff are still in the process of determining all the expenses associated with the environmental assessments.
Original Due Date: 12/31/2007		Auditor Update: 11/13/2007
Revised Due Date: 2/28/2008		
# 6 Ensure that all land acquisition expenses not charged to tract numbers are researched and linked to the appropriate tract numbers.	In Process	Land Acquisition and Land Management staff have conducted a reconciliation of Fund 404 (Florida Forever). The reconciliation identified \$83,016 in unknown costs not attributable to specific tracts that need further research. Staff are currently working on identifying where these costs should be assigned.
Original Due Date: 12/31/2007		Auditor Update: 11/13/2007
Revised Due Date: 2/28/2008		
# 9 Ensure that Land Acquisition expedites its reconciliation to determine the claim status of completed acquisitions.	In Process	Land Acquisition and Land Management staff have recently reconciled the general associated costs with four general tracts (Kissimmee River, Hidden Acres, Kissimmee River Shores, Kissimmee Chain of Lakes) and submitted claims to the USACE in May 2007. Staff will submit a reconciliation status report by February 28, 2008.
Original Due Date: 2/28/2008		Auditor Update: 11/13/2007
Revised Due Date: 2/28/2008		
# 10 Reconcile total expenditures charged to the KRR program per the District's financial system ("F" program code) to total expenditures claimed for in-kind credit (or will be claimed in the future under the established process.)	In Process	Staff from several departments have been working to reconcile total expenditures charged to the Kissimmee River Restoration Program. Due to changes in the Kissimmee Division Director and Construction and Engineering Department project manager positions, representatives from all three departments will meet every two weeks to ensure that the reconciliation has been completed for all years up to FY 2007 by February 28, 2008.
Original Due Date: 12/31/2007		Auditor Update: 11/13/2007
Revised Due Date: 2/28/2008		

Audit No.	Audit Name		
Recommendation		Current Status	Auditor's Comment
07-08	Audit of the Alternative Water Supply Program's Funding Process		
# 1	Ensure that all evaluations of statutory requirements are adequately documented. Original Due Date: 10/31/2007 Revised Due Date: 10/31/2007	In Process	Report recently issued. No follow-up is required at this time. Auditor Update: 11/27/2007
# 2	Require that funding calculations be doubled checked by another staff and rounded to the nearest hundred dollar. Original Due Date: 10/31/2007 Revised Due Date: 10/31/2007	In Process	Report recently issued. No follow-up is required at this time. Auditor Update: 11/27/2007
# 3	Instruct project managers to ensure that fund recipients submit adequate supporting documentation and carefully review the documentation to ensure that payments by the District are adequately substantiated. Original Due Date: 10/31/2007 Revised Due Date: 10/31/2007	In Process	Report recently issued. No follow-up is required at this time. Auditor Update: 11/27/2007
# 4	Ensure there is sufficient documentation to substantiate the process for establishing funding amounts for all projects. Original Due Date: 10/31/2007 Revised Due Date: 10/31/2007	In Process	Report recently issued. No follow-up is required at this time. Auditor Update: 11/27/2007
# 5	Seek reimbursement of funds from the utility for the overpayment made by the District for the unallowable expenditures. Original Due Date: 10/31/2007 Revised Due Date: 10/31/2007	In Process	Report recently issued. No follow-up is required at this time. Auditor Update: 11/27/2007
07-27	Audit of the Monitoring of Water Use Permits		
# 2	Develop a plan that would improve the integrity of the data contained in the Water Use Compliance database. Original Due Date: 6/30/2008 Revised Due Date: 6/30/2008	In Process	Report recently issued. No follow-up is required at this time. Auditor Update: 11/27/2007
# 3	Re-evaluate the operations of the Water Use Compliance Unit and require that greater emphasis be placed on utilizing the Water Use Compliance Database reports to identify and resolve non-compliant permits. Original Due Date: 6/30/2008 Revised Due Date: 6/30/2008	In Process	Report recently issued. No follow-up is required at this time. Auditor Update: 11/27/2007

Audit No.	Audit Name
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Recommendation	Current Status	Auditor's Comment
# 4 Implement procedures to increase the number of notices of non-compliance being sent to permit holders and the number of cases referred for enforcement action. Original Due Date: 6/30/2008 Revised Due Date: 6/30/2008	In Process	Report recently issued. No follow-up is required at this time. Auditor Update: 11/27/2007
# 5 Ensure that information received from the other water management districts is analyzed by the Compliance Unit. In addition, consider coordinating a meeting with the other districts' staff to obtain further details to determine whether the Compliance Unit can use any of their monitoring and enforcement tools and techniques to improve compliance monitoring. Original Due Date: 6/30/2008 Revised Due Date: 6/30/2008	In Process	Report recently issued. No follow-up is required at this time. Auditor Update: 11/27/2007