



**Audit Recommendations
Follow-Up Report
For Fiscal Year 2008**

Project #08-21

**Prepared by
Office of Inspector General**

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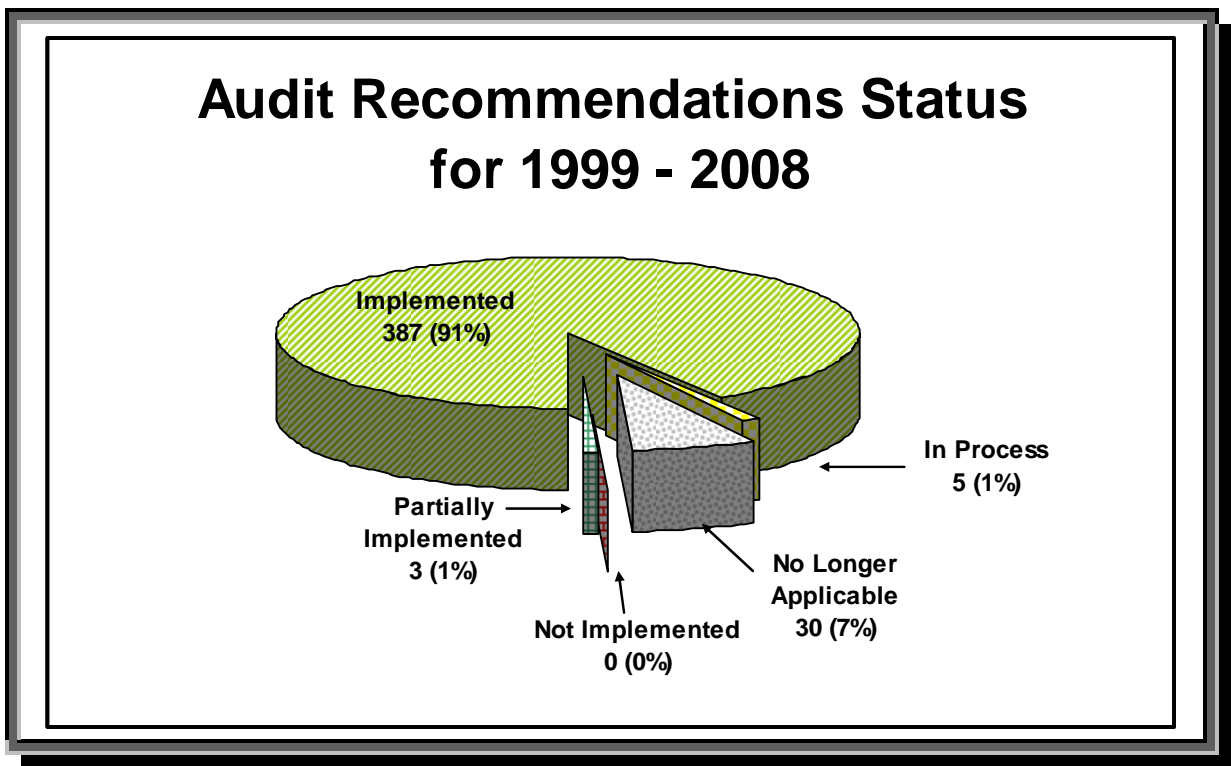
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EXECUTIVE SUMMARY

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 nine fiscal years 1999 through 2008. We are pleased to report that District management has satisfactorily addressed most of our 425 audit recommendations as shown in the following graph.

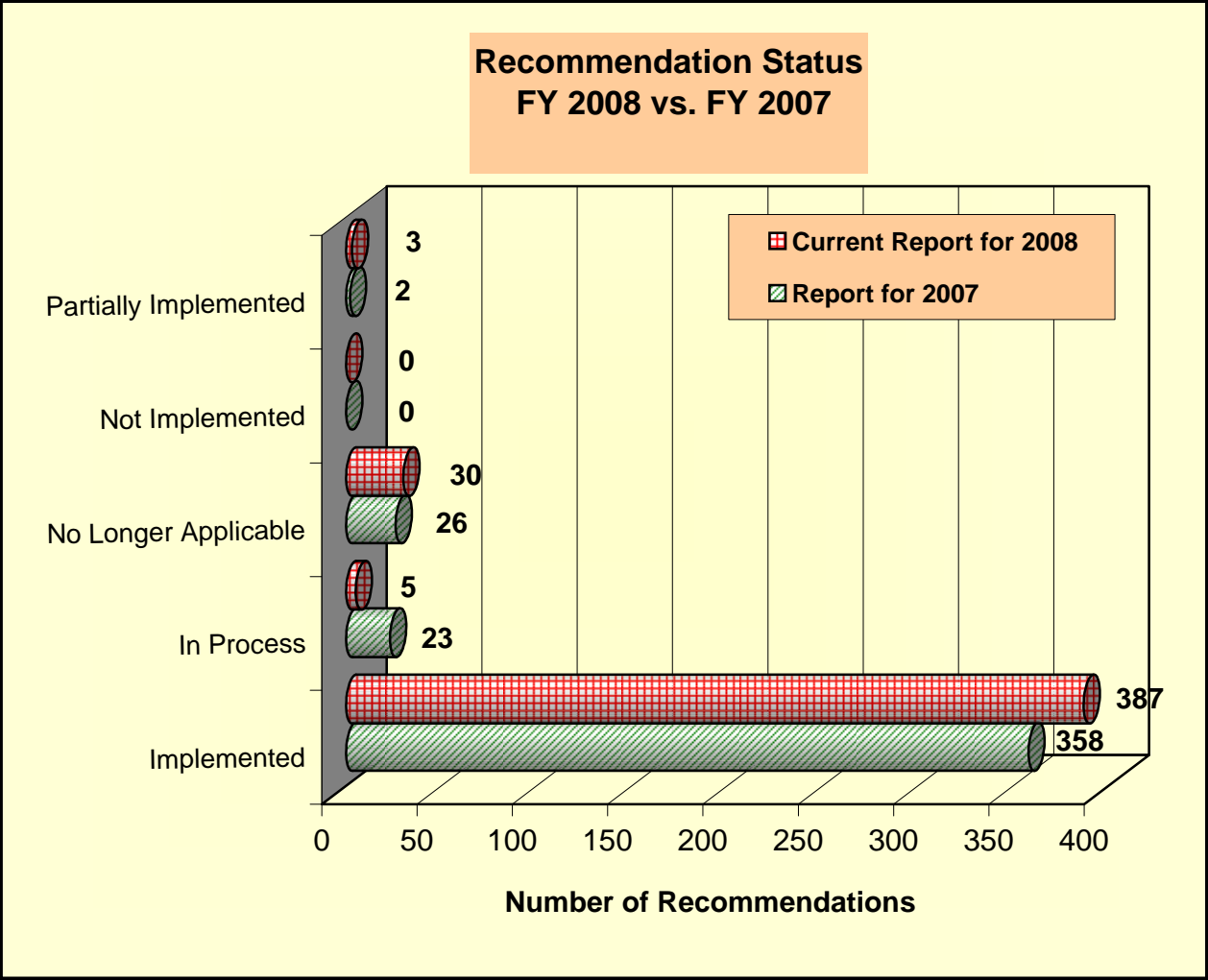


The status of recommendations in this year's report is comparable to last year's, as shown in the graph on the following page. **Notable is that no recommendations fell into the "Not Implemented" category for the current and previous years.** The "No Longer Applicable" category includes items where conditions have changed subsequent to issuance of the audit report that rendered the recommendation no longer relevant, such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

FY 2008 Compared to FY 2007

Status of Recommendations	2008	%	2007	%
Implemented	387	91.6%	358	87.5%
In Process	5	0.7%	23	5.1%
No Longer Applicable	30	7.1%	26	6.4%
Not Implemented	0	0.0%	0	0.0%
Partially Implemented	3	0.7%	2	0.5%
TOTAL	425		409	



Office of Inspector General
Audit Recommendations Status FY 2008

Audit Name	Audit	In	No Longer	Partially
	No.			
Investigation of Complaint Re: AWS Grant to the Jupiter Country Club HOA	08-03	1		
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 EAA A-1 Reservoir CM at Risk Contract with Parsons-Bernard JV	07-21		4	
Audit of Proceeds from Certificates of Participation (COPs) - First Issuance	07-25	1		
Audit of the Monitoring of Water Use Permits	07-27	5		
Investigation of RadGov Small Business Enterprise Certification	07-28	2		
Review of Acceler8 Contract Payments for the Quarter Ended June 30, 2007	07-30	3		
Investigation of Radiant's Misrepresentations to Obtain District Business	07-34	1		
Investigation of SFRN, Inc. Small Business Enterprise Certification	07-35	1		
Audit of the District's Process for FEMA Reimbursement	06-04	6		
Review of Controls Over Acceler8 Contract Payments	06-05	3		
Review of Controls Over the Acceler8 Construction Management Process	06-13	5		
Results of Monthly Review of Acceler8 Expenditures	06-15	3		
Audit of District Mitigation Banks	06-16	4		
Audit of State and Federal Cost Share Agreements (Non-KRR & CERP)	06-18	2	1	
Audit of the KRR Restoration Project In-Kind Credit Request Process	06-19	5	4	1
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		

Office of Inspector General
Audit Recommendations Status FY 2008

Audit Name	Audit	In	No Longer	Partially
	No.			
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		
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		
Review of Water Quality Monitoring Programs	00-03	4		
Small Purchasing Practices	00-04	15	2	
Cash Management Audit	00-05	6		
Audit of Outside Legal Costs	00-07	8		
Software Licensing Compliance Audit	00-09	5		
Diver Program Study	00-11	3		
Hurricane Freddy Exercise After Action Self Assessment	00-13	30		
Audit of the Prescribed Burning Program	00-16	8		
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	

Office of Inspector General
Audit Recommendations Status FY 2008

Audit Name	Audit	Implemented	In Process	No Longer Applicable	Partially Implemented
	No.				
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	72				
Total Recommendations	425	387	5	30	3

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

	In Process	Partially Implemented
No. Per FY2008 Follow-Up Audit Report	5	3
No. of recommendation where status is the same as prior year.*	4	2

**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 07 Report	Status Per FY 08 Report	Recommendation	Management Response	FY 07 Comments Regarding Status	FY 08 Comments Regarding Status
01-11	5	Hydrologic Modeling Program	Partially Implemented	Partially Implemented	Ensure that a disaster recovery backup copy of the server data is created and stored at an off-site location.	IT will review the backups and the procedures used for this server to make sure they adhere to the recommendations.	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.	IT is implementing a full disaster recovery plan for the entire District. The HESM systems is a portion of the comprehensive disaster recovery plan. However, the phase of the project they currently in does not include HESM's systems and data. They have assessed HESM's 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), has been engaged and already possesses District infrastructure on their premises.
05-15	8	Review of the Procurement Process	Partially Implemented	Partially Implemented	Develop a plan to monitor P-Card activity and consider increasing the maximum threshold for both P-Cards and PD's to \$2,500.	Agree with this recommendation.	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.	The Bank of America "Works" software was partially implemented on 8/7/07. The procurement card administration portion has been implemented and all cardholder data is in the "Works" software. The complete implementation requires special programming for SAP to communicate with the "Works" software. The program has been written: however, software testing has been interrupted due to data format issues which are currently being resolved. After the program testing is completed Procurement will complete training for users, and then roll out the new software to all cardholders, finance, and managers. The "Works" software will allow the District to monitor transactions on a daily basis and improve our auditing capabilities. 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 12/31/08.

Audit No.	Rec No.	Audit Title	Status Per FY 07 Report	Status Per FY 08 Report	Recommendation	Management Response	FY 07 Comments Regarding Status	FY 08 Comments Regarding Status
06-19	2	Audit of the KRR Restoration Project In-Kind Credit Request Process	In Process	In Process	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.	Agree. In-Kind Credit Submittals from the Watershed Department for the Restoration Evaluation component of the Project from fiscal years 1992-2004 will be revised to follow the Inspector General Office's recommendations by January 30, 2007. In-Kind Credit Submittals for fiscal years 2005 and 2006 for the Restoration Evaluation component of the Project need to be compiled and will be submitted to the USACE by Sept 30, 2007. In-Kind Credit Submittals for Restoration Evaluation from subsequent fiscal years will be submitted annually and within five months of the close of each fiscal year (by February 28th of the following year).	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.	Claims of all land acquisition expenses have been submitted to the USACE up through 8/18/08. All expenses have been assigned to a tract number. The Kissimmee Division is still working with the USACE to finalize the backlog of restoration expenses for 1992-2004.
06-19	3	Audit of the KRR Restoration Project In-Kind Credit Request Process	In Process	In Process	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.	Agree. Monthly follow-up until issue is elevated and resolved.	Staff are still following up on this issue.	Staff continues to remind the USACE that we are waiting on a response for this issue. We will continue to work with the USACE until we receive a response.
06-19	5	Audit of the KRR Restoration Project In-Kind Credit Request Process	In Process	In Process	Determine the amount of unclaimed expenses incurred for environmental assessments and submit a claim for these expenses as construction costs.	Agree. Revise by September 30, 2007 and submit to USACE by December 2007.	Land Acquisition and Land Management staff are still in the process of determining all the expenses associated with the environmental assessments.	Land Acquisition staff is still in the process of determining all the expenses associated with the environmental assessments and reporting them as construction expenses, instead of land acquisition expenses. Since completion of the audit, the environmental assessment expenses have not been submitted as land acquisition expenses.
06-19	9	Audit of the KRR Restoration Project In-Kind Credit Request Process	In Process	In Process	Ensure that Land Acquisition expedites its reconciliation to determine the claim status of completed acquisitions.	Agree. Land Acquisition and Management will submit annual credit reconciliation status report within five months of the preceding fiscal year. (October 2006 – September 2007 would be submitted by February 28, 2008.)	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.	Land Acquisition staff have completed reconciling the costs up through 8/18/08. Staff is working with the USACE to review this information.

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 is implementing a full disaster recovery plan for the entire District. The HESM systems is a portion of the comprehensive disaster recovery plan. However, the phase of the project they currently in does not include HESM's systems and data. They have assessed HESM's 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), has been engaged and already possesses District infrastructure on their premises.
	Original Due Date: 10/10/2002		Auditor Update: 9/18/2008
	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 procurement card administration portion has been implemented and all cardholder data is in the "Works" software. The complete implementation requires special programming for SAP to communicate with the "Works" software. The program has been written: however, software testing has been interrupted due to data format issues which are currently being resolved. After the program testing is completed Procurement will complete training for users, and then roll out the new software to all cardholders, finance, and managers. The "Works" software will allow the District to monitor transactions on a daily basis and improve our auditing capabilities. 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 12/31/08.
	Original Due Date: 9/30/2006		Auditor Update: 8/27/2008
	Revised Due Date: 12/31/2008		
06-18	Audit of State and Federal Cost Share Agreements (Non-KRR & CERP)		
# 2	Eliminate any liability that may exist when the critical projects are complete through amendment or other offset.	In Process	Item 2 legislative changes have not occurred. When or if, they will take place is uncertain. The District and Corps did review the Critical Restoration Project cost balancing last spring. The costs for the projects appear to be in

Audit No.	Audit Name
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Recommendation	Current Status	Auditor's Comment
		balance enough that the Corps is currently not asking for additional cash payments. There have been delays in the completion of the Lake Okeechobee Water Retention Critical Restoration Project and the Ten Mile Creek Reservoir Critical Restoration Project. These delays have made the final costs of these two projects more uncertain, thus, the cost share balance is more uncertain. The Lake Okeechobee project was delayed due to the drought. Construction is complete and the project is in the final operational testing phase. Due to the drought, there was not enough water available to test the facility. With this year's summer rains, there is now enough water for the operational testing. This project should be finished by the end of FY09 and cost balancing can be done at that time. There are uncertainties about what is needed to finish the Ten Mile Creek Critical Restoration Project. The options are being examined. It is possible that there will be significant costs in finishing the project. The cost share requirements are dependent on the outcome of this review effort. A more firm cost share estimate will be able to be made after these two projects progress.
Original Due Date:	9/30/2008	Auditor Update: 8/29/2008
Revised Due Date:	9/30/2009	

06-19	Audit of the KRR Restoration Project In-Kind Credit Request Process
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# 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.	In Process	Claims of all land acquisition expenses have been submitted to the USACE up through 8/18/08. All expenses have been assigned to a tract number. The Kissimmee Division is still working with the USACE to finalize the backlog of restoration expenses for 1992-2004.
	Original Due Date:	9/30/2007	Auditor Update: 9/2/2008
	Revised Due Date:	9/30/2009	
# 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.	In Process	Staff continues to remind the USACE that we are waiting on a response for this issue. We will continue to work with the USACE until we receive a response.
	Original Due Date:	12/31/2007	Auditor Update: 9/2/2008
	Revised Due Date:	9/30/2009	
# 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 staff is still in the process of determining all the expenses associated with the environmental assessments and reporting them as construction expenses, instead of land acquisition expenses. Since completion of the

Audit No.	Audit Name
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Recommendation	Current Status	Auditor's Comment
<p>Original Due Date: 12/31/2007</p> <p>Revised Due Date: 6/28/2009</p>		<p>audit, the environmental assessment expenses have not been submitted as land acquisition expenses.</p> <p>Auditor Update: 9/2/2008</p>
<p># 9 Ensure that Land Acquisition expedites its reconciliation to determine the claim status of completed acquisitions.</p> <p>Original Due Date: 2/28/2008</p> <p>Revised Due Date: 12/31/2008</p>	In Process	<p>Land Acquisition staff have completed reconciling the costs up through 8/18/08. Staff is working with the USACE to review this information.</p> <p>Auditor Update: 9/2/2008</p>
<p># 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.)</p> <p>Original Due Date: 12/31/2007</p> <p>Revised Due Date: 6/30/2009</p>	Partially Implemented	<p>Reconciliation of the expenses in the Land Acquisition and Land Management Department and Kissimmee Division has been completed, so the expenditures are charged to the Kissimmee River Restoration Program. Under the realignment, Everglades Restoration will coordinate with the Operations and Maintenance Resource Area to determine if there are any outstanding expenditures that will need to be reconciled.</p> <p>Auditor Update: 9/2/2008</p>