



**Audit Recommendations
Follow-Up Report
For the Period July 1, 2014
Through September 30, 2014**

Project # 15-01

**Prepared by
Office of Inspector General**


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



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Memorandum

To: Governing Board Members

From: J. Timothy Beirnes, CPA, Inspector General
Office of Inspector General 

Date: November 19, 2014

Subject: Audit Recommendations Follow-Up Report -
For the Period July 1, 2014 through September 30, 2014
Project No. 15-01

This audit was performed pursuant to the Inspector General's authority set forth in Section 20.055, F.S. Enclosed is the subject report that was conducted to assess the progress made in implementing audit recommendations.

In our efforts to continue to improve the audit process we utilize an audit recommendations tracking database as an integral part of monitoring the implementation status of audit recommendations. This database contains the basic audit information and recommendations. This system provides us with a vehicle to communicate and gather feedback on the status of the audit recommendations with the Governing Board, District management, and the audited organizational units.

Should you have any questions concerning the enclosed report, please feel free to call me at (561) 682-6398.

C: Blake Guillory
Edward Artau
Terrie Bates
Doug Bergstrom
Dan DeLisi
Karen Estock
Jeff Kivett
Len Lindahl
Tom Teets
Sharon Trost

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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 Office of Inspector General has performed follow-up audit work since the office was established in 1996. Every quarter our office 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 system. 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 period July 1, 2014 through September 30, 2014 (the "Reporting Period"). As shown in Exhibit 1, as of July 1, 2014 there were six (6) recommendations that were not yet Fully Implemented, consisting of five (5) that were In-Process and one (1) that was Partially Implemented. Since then, one (1) of these recommendations has been Fully Implemented.

During the Reporting Period, 27 recommendations were added from three (3) newly issued reports. As of September 30, 2014, two (2) of these recommendations have been Partially Implemented and four (4) have been Fully Implemented. In total from all reports, 28 recommendations are In-Process of being Implemented or have been Partially Implemented as of September 30, 2014.

No recommendations were changed to the "No Longer Applicable" status during the current Reporting Period. 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.

No recommendations fell into the “Not Implemented” category for the current and the previous report.

Our office is also monitoring the implementation status of the 10 recommendations made in the Operational Audit performed by the State of Florida Auditor General. Nine (9) of these recommendations were fully implemented during prior quarters and one (1) is in process of implementation as of September 30, 2014.

Following is a brief description of the attached exhibits:

- **Exhibit 1:** Displays a summary of recommendation statuses for all audit reports with recommendations in process of implementation. Exhibit 1 also shows the changes in the status of recommendations from the beginning of the period to the end of the period.
- **Exhibit 2:** Shows a summary of the changes in the status of recommendations by each audit report. Exhibit 2 shows only those audit reports that contained one or more recommendations that had not been fully implemented at the beginning of the reporting period.
- **Exhibit 3:** Displays detail information regarding the status of each audit recommendation. This includes the status of the recommendation for the prior reporting period and the status at the end of the current period. The comment column provides narrative information regarding implementation progress.
- **Exhibit 4:** Displays detail information regarding the status of each audit recommendation contained in the Operational Audit performed by the State of Florida Auditor General. The comment column provides narrative information regarding implementation progress.

EXHIBIT 1
Summary of Recommendations Status
As of September 30, 2014

	In	Partially	
Prior Period Reports	Process	Implemented	Total
Status Prior Period (June 30, 2014)	5	1	6
Implemented or Partially Implemented During Period	(1)	-	(1)
Remaining Recommendations to be Fully Implemented	4	1	5
Reports Issued During Current Period			
New Recommendations*	27	-	27
Implemented or Partially Implemented	(6)	2	(4)
Remaining Recommendations to be Fully Implemented	21	2	23
Current Status			
Remaining Recommendations to be Fully Implemented	25	3	28

* Initial Status is set as "In-Process"

EXHIBIT 2
Audit Reports With Implementation of Recommendations in Progress
As of September 30, 2014

Audit No.	Audit Title	No. of Recs		In Process	Partially Implemented	No Longer Applicable	Implemented	
	Recommendations - Prior Period Reports							
08-09	Review of Internal Controls Over Fuel Inventory	5	Initial Status	0	1	0	4	Open
			Change in Status	0	0	0	0	
			Current Period Status	0	1	0	4	
11-14	Audit of CERP Cost Share Status	9	Initial Status	2	0	0	6	Open
			Change in Status	0	0	0	0	
			Current Period Status	2	0	0	6	
12-29	Audit of Contract Monitoring	9	Initial Status	1	0	0	8	Open
			Change in Status	0	0	0	0	
			Current Period Status	1	0	0	8	
12-30	Audit of Grant Monitoring	2	Initial Status	1	0	0	1	Open
			Change in Status	0	0	0	0	
			Current Period Status	1	0	0	1	
13-13	Audit of Employee Time Coding Process	6	Initial Status	1	0	0	5	Complete
			Change in Status	-1	0	0	1	
			Current Period Status	0	0	0	6	
	Recommendations - Reports Issued During Current Period							
13-16	Audit of Fixed Assets Processes and Procedures	9	Initial Status	9	0	0	0	Open
			Change in Status	-4	2	0	2	
			Current Period Status	5	2	0	2	
13-19	Audit of Land Lease Financial Provisions	3	Initial Status	3	0	0	0	Open
			Change in Status	-1	0	0	1	
			Current Period Status	2	0	0	1	
13-20	Audit of Fleet Maintenance Operations	15	Initial Status	15	0	0	0	Open
			Change in Status	-1	0	0	1	
			Current Period Status	14	0	0	1	
	Recommendations - All Reports							
	TOTAL	58	Prior/Initial Status	32	1	0	24	
			Change in Status	-7	2	0	5	
			Status Current Period	25	3	0	29	
	Number of Recommendations Remaining to Be Fully Implemented	28		25	3			

Prior Period = As of June 30, 2014

EXHIBIT 3
Detail of In-Process and Partially Implemented Audit Recommendations
As of September 30, 2014

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
					Original	Revised			
08-09	2	Review of Internal Controls Over Fuel Inventory	Partially Implemented	Partially Implemented	9/30/2009	9/8/2015	Implement physical security measures that were identified by Emergency/Security Management.	Fencing repairs will be done in FY2010. New fences will be deferred to future years due to FY2010 budget constraints. For security systems, we will coordinate with Security Management to have them budget for these systems in future years.	The fencing for the north shore pump station (i.e. 127, 129, 131, 133, and 193) has been added to the trash rake projects at each of the sites. Due to funding constraints, estimated completion dates for S133 and S135 is 6/9/2015 and S129 and S131 is 9/8/2015.
11-14	4	Audit of the CERP Cost Share Status	In Process	In Process	12/30/2013	12/31/2014	Follow up with the Corps to insure all eligible construction credit is received particularly those authorized, eligible expenditures for projects with a PPA.	Everglades Policy & Coordination will meet on a quarterly basis with Corps staff to review the status of open construction credit submissions and expected timing of construction credit approval. Based on these meetings we will provide any additional expenditure support needed for the Corps to approve expenditures for construction credit.	The District continues to submit construction work in kind expenditures for USACE approval. Construction for projects with a signed PPA are eligible for credit. The USACE has completed review of the majority of eligible expenses and since January credit letters received from USACE have provided preliminary approval of \$26 million of construction related expenses for Projects with a PPA.
11-14	5	Audit of the CERP Cost Share Status	In Process	In Process	12/31/2013	12/31/2014	Follow up with the Corps to establish a CERP Guidance Memorandum which specifies the procedures to be followed for certifying construction and Acceler8 expenditures for cost share credit.	Everglades Policy & Coordination will work with the Corps staff to develop a draft construction CERP Guidance memorandum for review and approval by September 30, 2013 and finalize the CGM by December 31, 2013. This process should not delay receiving construction credit on projects with an approved PPA.	CGM 43 is drafted and under review by AUSACE and District staff with a progress update set for the DCT meeting in July. The CGM should be finalized by December 31, 2014.
12-29	3	Audit of Contract Monitoring	In Process	In Process	7/11/2013	2/27/2015	Ensure that all project managers are aware of the District's responsibilities relating to sales and other types of taxes.	Management agrees. Procurement will update PM training documentation; PM training will be scheduled for all District PMs.	Training on PM and other topics is in progress.
12-30	1	Audit of Grant Monitoring	In Process	In Process	12/30/2013	3/31/2015	Update the District's grant procedures and add a section for when the District is, or acts, as a grantor. The State of Florida's Contract and Grant User Guide is a good reference for updating the procedures.	Management agrees with the recommendation. Finance will revise the District grant procedures to include a section for when the District acts as a grantor.	A draft of a revised Grant Procedure, including when the District acts as a grantor, is completed and awaiting final approval.

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
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13-13	1	Audit of Employee Time Coding Process	In Process	Implemented	8/31/2014	8/31/2014	Ensure that District employees understand the importance of charging time worked to the correct cost centers, work/internal orders, and network/activity codes.	An "All Groups" email will be created and distributed District-wide, explaining the need to charge correctly and the negative consequences that can occur as a result of not properly capturing time spent on projects. Once the All Groups email goes out, all Section Leaders (or Section Administrators where no Section Leader is present) will review the email and how it relates to their group specifically, with each of their employees. We will also use other internal communication mechanisms to reinforce the message about why coding time correctly is so important.	A timesheet time charge tracking tool announcement is being published weekly in the Friday Morning Report with a direct link to the tool that managers can use to track planned versus time charges being seen within SAP.
13-16	1	Audit of Fixed Assets Processes and Procedures	In Process	In Process	4/10/2014	3/31/2015	Update the written policies and procedures to properly reflect the assignment of fixed asset responsibilities.	Management concurs with the recommendation. The fixed asset policies and procedures are in the process of being updated for changes in responsibilities, changes in the organization, and changes in processes.	The fixed asset policy and procedures have been updated and are awaiting final approval.
13-16	2	Audit of Fixed Assets Processes and Procedures	In Process	In Process	4/10/2014	3/31/2015	Update the written policies and procedures to reference and cite the applicability of Chapter 69I-73 F.A.C. and document compliance with the code requirements	Management concurs with the recommendation. The District's Fixed Assets Policy, Sec. 110-61 through Sec. 110-66, is in the process of being updated to include the District's responsibilities under Chapter 69I-73 F.A.C.	The fixed asset policy and procedures have been updated and are awaiting final approval.
13-16	3	Audit of Fixed Assets Processes and Procedures	In Process	In Process	4/10/2014	3/31/2015	Establish policies and procedures to ensure contractors maintain adequate records and documentation to account for District property in their possession.	Management concurs with the recommendation and is evaluating its options to determine the most effective and efficient way to implement this recommendation.	Meetings between Finance, Procurement, OMC and the Water Resources Division regarding this recommendation are being held.

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
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13-16	4	Audit of Fixed Assets Processes and Procedures	In Process	Partially Implemented	4/10/2014	12/31/2014	Establish procedures to properly divide the duties of asset custodianship and annual inventories.	Management concurs with the recommendation. While the conventional response would be to have someone from outside of the organizational unit perform, or observe the inventory count, the District does not have the resources to devote to this. Instead, a decision was made to continue to allow the property clerks to take the inventory in their respective areas while using the asset tag scanners to provide a mitigating control. These scanners have been used in the past for inventory purposes but property clerks also had the ability to manually input asset information into the scanner thus diminishing the scanner as a control mechanism. However, the ability to manually input assets into the scanner has been taken away so the only way that an asset can be counted is by scanning the asset tag. Even with this change the risk still exists that a missing asset can be counted as long as the tag exists. This risk will be mitigated by 1) taking away the ability for property clerks to print duplicate tags and 2) randomly selecting assets prior to the inventory count and verifying that the assets have tags attached.	While the Fixed Asset policy and procedures are still awaiting final approval. The FY2014 physical inventory was conducted using the revised procedures. These revised procedures required that the existence of all assets be verified. This was accomplished in various ways including scanning of the inventory tags, taking date stamped photographs of the assets, independent verification from staff outside of the responsible cost center, reviewing maintenance records, and verifying that assets were operational and performing as intended.
13-16	5	Audit of Fixed Assets Processes and Procedures	In Process	In Process	4/10/2014	3/31/2015	Adopt procedures to document the research of missing inventory items, identify causes for the missing items, and take immediate corrective action.	Management concurs with the recommendation. The Fixed Asset procedures are being amended to require that the following steps be taken and documented when an asset is deemed missing: - Continue to search for the asset - Make inquiries to determine where it was last seen and who had possession of it - Contact all known users to see if anyone has knowledge of its whereabouts - Speculate as to what may have happened to the asset in order to determine if internal controls need to be strengthened - If there was evidence that the asset was stolen contact District Security Management and the appropriate law enforcement agency. - Indicate in the fixed asset records that the asset is in missing status - If the asset isn't found after two subsequent inventory counts then propose writing it off.	The fixed asset policy and procedures have been updated and are awaiting final approval.
13-16	6	Audit of Fixed Assets Processes and Procedures	In Process	Implemented	4/10/2014	6/30/2014	Establish procedures to promote redirection of surplus assets such as an internal website listing surplus items.	Management concurs with the recommendation. Section 210-114(g)(3)d requires the Finance Bureau to periodically provide a list of available surplus property. Finance will publish its first such list by the end of March.	Recommendation Implemented at time of report issuance.

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
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13-16	7	Audit of Fixed Assets Processes and Procedures	In Process	In Process	4/10/2014	3/31/2015	Establish procedures to perform an inventory whenever there is a change in custodian or custodian's delegate.	Management concurs with the recommendation and will work with Human Resources to determine how Finance will be notified when there are changes in asset custodians.	The fixed asset policy and procedures have been updated and are awaiting final approval.
13-16	8	Audit of Fixed Assets Processes and Procedures	In Process	Implemented	4/10/2014	9/30/2014	Include the physical condition data field on the inventory form, and update it during the annual inventory.	Management concurs with the recommendation and will include the physical condition data field on the inventory form during the FY 2014 inventory count.	A physical condition data field was added to the inventory form and was required to be updated during the FY 2014 physical inventory.
13-16	9	Audit of Fixed Assets Processes and Procedures	In Process	Partially Implemented	4/10/2014	3/31/2015	Update the policies and procedures to reflect the current practice of including sub-groups in the annual inventory when practical.	Management concurs with the recommendation and will update the procedures to require the counting of sub-groups in the annual inventory.	While the Fixed Asset policy and procedures have been updated and are awaiting final approval sub-groups were included in the FY 2014 physical inventory of tangible personal property.
13-19	1	Audit of Land Lease Financial Provisions	In Process	In Process	4/10/2014	12/31/2014	Update IRIS database functionality to include lessee compliance with financial provisions and establish a single point record of lessee compliance with all lease provisions.	Management concurs with the recommendation that using one software program to administer the District is preferred as it would streamline the number of processes necessary to administer real estate lease agreements. Acknowledging that the use of multiple software programs is less efficient in the management of the real estate leasing program, staff submitted to the Information Technology (IT) Bureau in August of 2012, a Project Charter for the inclusion of the leasing administration procedures into the IRIS (Integrated Real Estate Information Systems) database. The purpose was to enhance the application features or functions in IRIS to support the Section's additional tracking needs. However, the additional work by IT to modify the IRIS application fell below the current prioritized list of District software modifications that IT has the staffing capability to complete. In concurrence with the audit recommendation Information Technology and Leasing will work together to map the lessee compliance process to identify potential efficiencies gained by updating the IRIS application. When completed, a new work request will be prepared and presented to management for approval. If funded, IT will schedule resources according to management guidance.	IT has not received guidance or funding to schedule the proposed work to include lease data into the IRIS database system. Will continue to monitor quarterly.

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
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13-19	2	Audit of Land Lease Financial Provisions	In Process	In Process	4/10/2014	9/30/2014	Amend the District leasing policy to allow the District staff to use lessee deposited funds for property damage, land clean-up and other mitigation purposes. Further, the policy should also be amended to authorize staff to increase staff to increase lessee required deposits on a case by case basis to mitigate land use risk.	Management concurs with the audit recommendation and will direct staff to begin preparation of a Governing Board resolution to amend the leasing policy as proposed.	District Leadership recommended a hold on any proposed change to the leasing policy at this time. Will review with Leadership again during 2nd quarter of FY15.
13-19	3	Audit of Land Lease Financial Provisions	In Process	Implemented	4/10/2014	6/30/2014	To strengthen the District's lease property lease property tax provision, consider assigning the responsibility for placing the property on county tax rolls to the lessee in the boilerplate lease agreement terms and conditions.	Management concurs with the recommendation and has already begun incorporation of this recommendation into the new boilerplate lease agreement terms and conditions. A section in the lease contract titled, "Real Property Taxes" states: <i>"Upon execution of this Lease, Lessee shall place the Property on the county property tax rolls and shall provide to the District documentation that it has done so. Lessee shall pay directly to the county tax collector all real property taxes, intangible property taxes, and personal property taxes levied against the Property, as well as all assessment liens, accrued or levied with respect to the Property or this lease during the Lease term. The amount of taxes or assessments will be determined by the county property appraiser. Lessee may obtain an agricultural classification from the county property appraiser providing a reduction in property taxes. Lessee is solely responsible for obtaining the agricultural classification and must pay all taxes levied by the County."</i> In addition, the boilerplate template includes language that requires the Lessees to pay all property taxes and assessments promptly upon receipt of an assessment notice from the taxing authority but no later than February 1st each year. The Lessees are required to furnish proof of payment to the District within fifteen (15) days of the payment.	Recommendation Implemented at time of report issuance.
13-20	1	Audit of Fleet Maintenance Operations	In Process	In Process	6/12/2014	12/31/2014	Require fleet units to increase planning efforts so that price quotes can be obtained for aftermarket parts. At minimum, quotes should be obtained for commonly used parts.	The Procurement Bureau obtained a district-wide list of the most widely used automotive parts, and solicited bids from vendors under a price agreement. The Procurement Bureau received prices from Original Equipment, Carquest, Cold Air Distributors, and O'Reilly Auto Parts. Prices from NAPA Auto Parts are pending. With these vendors the need to receive quotes elsewhere diminishes since they demonstrably have the lowest prices.	The Procurement Bureau obtained a district-wide list of the most widely used automotive parts, and solicited bids from vendors under a price agreement. The Procurement Bureau received prices from Original Equipment, Carquest, Cold Air Distributors, and O'Reilly Auto Parts. Prices from NAPA Auto Parts are pending. With these vendors the need to receive quotes elsewhere diminishes since they demonstrably have the lowest prices.

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
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13-20	2	Audit of Fleet Maintenance Operations	In Process	Implemented	6/12/2014	6/30/2014	Consider using procurement staff to obtain price quotes and procure parts when practical.	Fleet Management is working with the Procurement Bureau Chief to have procurement technicians receive quotes for automotive parts and spot check prices as discussed in Recommendation #1.	Fleet Management and the Field Stations are working with the Procurement technicians to receive quotes for automotive parts and spot check prices.
13-20	3	Audit of Fleet Maintenance Operations	In Process	In Process	6/12/2014	12/31/2014	Encourage fleet units to procure filters using the Carquest alternative source contract.	With the price agreement established with Carquest and the other vendors, fleet personnel and procurement technicians will have no alternative but to but filters from Carquest when they are less expensive. Fleet supervisors will be required to report on this process to their respective superintendents each quarter to ensure that the District is buying at the lowest cost.	With the price agreement established with Carquest and the other vendors, fleet personnel and procurement technicians will have no alternative but to but filters from Carquest when they are less expensive. Fleet supervisors will be required to report on this process to their respective superintendents each quarter to ensure that the District is buying at the lowest cost.
13-20	4	Audit of Fleet Maintenance Operations	In Process	In Process	6/12/2014	12/31/2014	Instruct fleet unit supervisor to inform appropriate Procurement Bureau management of any issues with contractors/vendors.	This will be in Fleet Management's Maintenance Standard Operating Procedures (SOP). Superintendents will require quarterly reports on vendor performance.	This will be in Fleet Management's Maintenance Standard Operating Procedures (SOP). Superintendents will require quarterly reports on vendor performance. Will have completed next quarter.
13-20	5	Audit of Fleet Maintenance Operations	In Process	In Process	6/12/2014	12/31/2014	Consider using aftermarket parts instead of original equipment parts when possible.	This was discussed at the Stan Team meeting and incorporated in our SOP. Specific SAP reports will be generated to ensure that this procedure is being adhered to.	This was discussed at the Stan Team meeting and incorporated in our SOP. Specific SAP reports will be generated to ensure that this procedure is being adhered to.
13-20	6	Audit of Fleet Maintenance Operations	In Process	In Process	6/12/2014	12/31/2014	Ensure that preventative maintenance inspections be monitored and completed in a timely manner.	This was discussed at the Stan Team meeting and incorporated in our Preventive Maintenance SOP. Sap Report IW39 will be generated on a monthly basis to ensure that this procedure is being adhered to.	This was discussed at the Stan Team meeting and incorporated in our Preventive Maintenance SOP. Sap Report IW39 will be generated on a monthly basis to ensure that this procedure is being adhered to.
13-20	7	Audit of Fleet Maintenance Operations	In Process	In Process	6/12/2014	12/31/2014	Ensure that fleet staff understands the importance of closing preventive maintenance work orders after inspections are completed.	This was discussed at the Stan Team meeting and incorporated in our Preventive Maintenance SOP. Specific SAP reports (IW39 and IW33) will be generated on a monthly basis to ensure that this procedure is being adhered to, as discussed in response to Recommendation #6.	This was discussed at the Stan Team meeting and incorporated in our Preventive Maintenance SOP. Specific SAP reports (IW39 and IW33) will be generated on a monthly basis to ensure that this procedure is being adhered to, as discussed in response to Recommendation #6.

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
					Original	Revised			
13-20	8	Audit of Fleet Maintenance Operations	In Process	In Process	6/12/2014	12/31/2014	Instruct fleet staff to ensure that repairs identified during maintenance inspections are completed through PMPR work orders.	This was discussed at the Stan Team meeting and incorporated in our Preventative Maintenance SOP. Specific SAP reports (IW39 and IW33) will be generated on a monthly basis to ensure that this procedure is being adhered to.	This was discussed at the Stan Team meeting and incorporated in our Preventative Maintenance SOP. Specific SAP reports (IW39 and IW33) will be generated on a monthly basis to ensure that this procedure is being adhered to.
13-20	9	Audit of Fleet Maintenance Operations	In Process	In Process	6/12/2014	12/31/2014	Require fleet staff to make sure that work order costs include all costs of parts and services used.	This was discussed at the Stan Team meeting and incorporated in our Preventive Maintenance SOP. Specific SAP reports (IW39 and IW33) will be generated on a monthly basis to ensure that this procedure is being adhered to. Field Superintendents will enforce this recommendation.	This was discussed at the Stan Team meeting and incorporated in our Preventive Maintenance SOP. Specific SAP reports (IW39 and IW33) will be generated on a monthly basis to ensure that this procedure is being adhered to. Field Superintendents will enforce this recommendation.
13-20	10	Audit of Fleet Maintenance Operations	In Process	In Process	6/12/2014	12/31/2014	Increase efforts to ensure that the maintenance goals for planned and unplanned work orders are achieved.	The 80% Preventive Maintenance to 20% Unscheduled Maintenance objective presents a challenge due to the District's aging fleet and extensive unscheduled repair requirements of our towboats. Each maintenance facility is working hard to achieve this objective. It is an ongoing process. Fleet Management will continue to perform statistical analysis of repair and maintenance data as a means of monitoring maintenance goals and objectives.	The 80% Preventive Maintenance to 20% Unscheduled Maintenance objective presents a challenge due to the District's aging fleet and extensive unscheduled repair requirements of our towboats. Each maintenance facility is working hard to achieve this objective. It is an ongoing process. Fleet Management will continue to perform statistical analysis of repair and maintenance data as a means of monitoring maintenance goals and objectives.
13-20	11	Audit of Fleet Maintenance Operations	In Process	In Process	6/12/2014	12/31/2014	Require that activities charged to fleet work orders are consistent among all fleet units.	Fleet Management is in the process of developing a list of chargeable activities that will serve as the basis for charging time at District Fleet Maintenance facilities.	Fleet Management is in the process of developing a list of chargeable activities that will serve as the basis for charging time at District Fleet Maintenance facilities.
13-20	12	Audit of Fleet Maintenance Operations	In Process	In Process	6/12/2014	12/31/2014	Consider holding a workshop for relevant fleet staff responsible for making purchases to discuss their experiences regarding vendors' prices and service.	The Fleet Management Stan Team will facilitate a workshop that will include discussion of vendors' automotive prices and services, and training for staff responsible for automotive parts procurement and acquisition. Procurement Bureau will be involved in this process.	The Fleet Management Stan Team will facilitate a workshop that will include discussion of vendors' automotive prices and services, and training for staff responsible for automotive parts procurement and acquisition. Procurement Bureau will be involved in this process.

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
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13-20	13	Audit of Fleet Maintenance Operations	In Process	In Process	6/12/2014	12/31/2014	Require managers (time approvers) to closely review their staff's timesheets to ensure that time charges reflect actual activities performed.	This will be discussed at the next division meeting and it will be incorporated in the Fleet Maintenance SOP. Monthly reports will be generated to ensure that time allocations accurately reflects actual work. Shop supervisors will be held accountable for time allocation and will be expected to perform daily checks. SAP Report IW47 will be generated to ensure this is being followed.	This will be discussed at the next division meeting and it will be incorporated in the Fleet Maintenance SOP. Monthly reports will be generated to ensure that time allocations accurately reflects actual work. Shop supervisors will be held accountable for time allocation and will be expected to perform daily checks. SAP Report IW47 will be generated to ensure this is being followed.
13-20	14	Audit of Fleet Maintenance Operations	In Process	In Process	6/12/2014	12/31/2014	Ensure that fleet employees understand the importance of charging time worked to the correct activities.	This will be discussed at the next division meeting and it will be incorporated in the Fleet Maintenance SOP. Monthly reports will be generated to ensure that time allocations accurately reflects actual work. Shop supervisors will be held accountable for time allocation, and will be expected to perform daily checks. SAP Report IW47 will be generated to ensure this is being followed.	This will be discussed at the next division meeting and it will be incorporated in the Fleet Maintenance SOP. Monthly reports will be generated to ensure that time allocations accurately reflects actual work. Shop supervisors will be held accountable for time allocation, and will be expected to perform daily checks. SAP Report IW47 will be generated to ensure this is being followed.
13-20	15	Audit of Fleet Maintenance Operations	In Process	In Process	6/12/2014	12/31/2014	Instruct fleet unit supervisors to utilize existing SAP fleet work order monitoring reports or consult with the SAP Solutions Center to develop required reports to improve management of the work order issues.	This was discussed with Fleet Unit supervisors at the Fleet Stan meeting. Fleet Management will incorporate this process in the Preventive Maintenance SOP as a means of reinforcing this recommendation. Also, utilizing the following reports will give our supervisors tools to better manage the work order process: Work Order Processing (IW39), Work Order Detail (IW33), and Confirmation/Timekeeping (IW47). Fleet Management has a SAP representative at the Stan Team meetings to address issues involving reports.	This was discussed with Fleet Unit supervisors at the Fleet Stan meeting. Fleet Management will incorporate this process in the Preventive Maintenance SOP as a means of reinforcing this recommendation. Also, utilizing the following reports will give our supervisors tools to better manage the work order process: Work Order Processing (IW39), Work Order Detail (IW33), and Confirmation/Timekeeping (IW47). Fleet Management has a SAP representative at the Stan Team meetings to address issues involving reports.

EXHIBIT 4
Auditor General Recommendations
As of September 30, 2014

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Recommendation	Management Response	Current Period Comments Regarding Status
	2	Auditor General Operational Audit	In- Process	In-Process	The District should develop or enhance written procedures for Accounts Receivable and Key Permit Access Refunds and ensure that these procedures are continuously updated for changes in key controls or personnel.	Accounts Receivable - The Districts concurs with the recommendation and will be evaluating the accounts receivable process and procedures and make the appropriate changes. Key Permit Access Refunds - The District has assembled a team to re-evaluate and document the key deposit process. The goal is to design a process that is efficient and which contains internal controls to ensure that District stakeholder assets are properly safeguarded. Once completed, this process will become the basis for a procedure that will be included in the District Policies and Procedures Manual.	Accounts Receivable: In Process Estimated Completion Date - March 31, 2015 Key Permit Access Refunds: In Progress. A new process has been mapped and implemented but it has not yet been incorporated in the District's procedures. Estimated Completion Date - December 31, 2014