



## **Audit Recommendations Follow-Up Report**

**For the Period April 1, 2019  
Through June 30, 2019**

**Project #19-16**

**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:** August 9, 2019

**Subject:** Audit Recommendations Follow-Up Report -  
For the Period April 1, 2019 through June 30, 2019  
Project No. 19-16

A handwritten signature in blue ink, likely belonging to J. Timothy Beirnes, the Inspector General.

---

This report 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: Drew Bartlett  
Jennifer Smith  
John Mitnik  
Paula Cobb  
Tia Barnett  
Stephen Collins  
Sean Cooley  
Jill Creech  
Lawrence Glenn  
Candida Heater  
Jennifer Leeds  
Duane Piper  
Gary Russ

---

## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>EXHIBIT 1: Summary of Recommendations Status .....</b>	<b>3</b>
<b>EXHIBIT 2: Reports With Implementation of Recommendations in Progress .....</b>	<b>4</b>
<b>EXHIBIT 3: Detail of In-Process and Partially Implemented Audit Recommendations .....</b>	<b>5</b>
<b>EXHIBIT 4: Detail of Audit of the Information Technology Continuity of Operations/Disaster Recovery Plan .....</b>	<b>8</b>

**\*NOTE: Due to the nature of the subject matter contained in the Audit of the Information Technology Continuity Operations/Disaster Recovery Plan, the report is exempt from public disclosure, pursuant to Chapter 119.071(3), Florida Statutes. Thus, the status of the recommendations for this audit are included in a separate Exhibit 4, which will be excluded from the publicly available version of this follow-up report.**

---

## 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 April 1, 2019 through June 30, 2019 (the "Reporting Period"). As shown in Exhibit 1, as of March 31, 2018 there were 14 recommendation that were not yet Fully Implemented from previously issued audit reports. Two (2) of these recommendation's were implemented during the reporting period. No recommendation were added during the period from newly issued audit reports. Twelve (12) recommendations are In-Process of being implemented as of June 30, 2019.

---

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 Audit of the Information Technology Continuity of Operations/Disaster Recovery Plan. These recommendations were included in a separate exhibit due to the nature of the subject matter contained in the report, which is exempt from public disclosure. Therefore, Exhibit 4 will be excluded from publicly available versions of this follow-up report.

# EXHIBIT 1

## Summary of Recommendations Status

As of June 30, 2019

	In	Partially	
<b>Prior Period Reports</b>	<b>Process</b>	<b>Implemented</b>	<b>Total</b>
Status Prior Period (March 31, 2019)	14	-	14
Implemented, Partially Implemented, or Status Changed to No Longer Applicable, During Period	(2)	-	(2)
Remaining Recommendations to be Fully Implemented	12	-	12
<b>Reports Issued During Current Period</b>			
None	-	-	-
	-	-	-
	-	-	-
<b>Current Status</b>			
<b>Remaining Recommendations to be Fully Implemented</b>	<b>12</b>	<b>-</b>	<b>12</b>

\* Initial Status is set as "In-Process"

**EXHIBIT 2**  
**Audit Reports With Implementation of Recommendations in Progress**

As of June 30, 2019

Audit No.	Audit Title	No. of Recs		In Process	Partially Implemented	No Longer Applicable	Implemented	
	<b>Recommendations - Prior Period Reports</b>							
18-06	<b>Audit of the Information Technology Continuity of Operations/Disaster Recovery Plan</b>	5	Initial Status	2	0	0	3	Complete
			Change in Status	-2	0	0	2	
			Current Period Status	0	0	0	5	
18-08	<b>Audit of Kissimmee River Restoration Project Cost Share for Land Acquisition Expenditures</b>	19	Initial Status	12	0	0	7	Open
			Change in Status	0	0	0	0	
			Current Period Status	12	0	0	7	
	<b>Recommendations - Reports Issued During Current Period</b>							
	None							
	<b>Recommendations - All Reports</b>							
	TOTAL	24	Prior/Initial Status	14	0	0	10	
			Change in Status	-2	0	0	2	
			Status Current Period	12	0	0	12	
	<b>Number of Recommendations Remaining to Be Fully Implemented</b>	12		12	0			

**EXHIBIT 3**  
**Detail of In-Process and Partially Implemented Audit Recommendations**  
As of June 30, 2019

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
					Original	Current			
18-08	1	Audit of Kissimmee River Restoration Project Cost Share For Land Acquisition Expenditures	In Process	In Process	12/31/2019	12/31/2019	Expedite KRRP claim submittals to the USACE for acquired tracts not yet submitted, donations, and relocation costs.	Agreed. Workload has been shifted to dedicate 1 FTE full-time and 1 FTE part-time to submit the backlog of claims (37 acquired tracts, 350 relocations and 50 donated tracts) within the next calendar year.	On schedule. Priority 1 item; full-time position hired and is transitioning from former position; part time position currently working on 350 relocations.
18-08	2	Audit of Kissimmee River Restoration Project Cost Share For Land Acquisition Expenditures	In Process	In Process	12/31/2019	12/31/2019	Determine reasons why certified / approved tracts on the summary crediting spreadsheets are indicated as historical in IRIS and revise all relevant records; for example, summary crediting spreadsheets and IRIS, to reflect correct acreage, costs, and explanations.	Agreed. Real Estate will analyze certified / approved tracts shown in IRIS as historical and revise records accordingly	On schedule. Priority 3 item; Minor item to be completed after Priority 1 and 2 items.
18-08	3	Audit of Kissimmee River Restoration Project Cost Share For Land Acquisition Expenditures	In Process	In Process	12/31/2019	12/31/2019	Determine whether revised claim requests should be submitted to the USACE in instances where approved tracts and tracts that have been submitted but not yet approved by the USACE are indicated as historical in IRIS.	Agreed. Real Estate will analyze whether revised claim requests should be submitted for IRIS historical tracts and will submit revised claims, as needed.	On schedule. Priority 3 item; Minor item to be completed after Priority 1 and 2 items.
18-08	4	Audit of Kissimmee River Restoration Project Cost Share For Land Acquisition Expenditures	In Process	In Process	12/31/2019	12/31/2019	Request credit for unclaimed expenses charged to tracts already certified by the USACE; for example, reservation credits and salary expenses.	Agreed. Real Estate will work with the Office of the Inspector General to identify a list of tracts and then analyze and compile any unclaimed expenses and submit revised claims to the USACE.	On schedule. Priority 3 item; Minor item to be completed after Priority 1 and 2 items.
18-08	5	Audit of Kissimmee River Restoration Project Cost Share For Land Acquisition Expenditures	In Process	In Process	12/31/2019	12/31/2019	Consider compiling the documentation supporting the \$29,450 in relocation expenses that were denied and resubmit to the USACE for credit.	Agreed. Real Estate will analyze, compile and submit additional information for any denied portions of claims, and submit revised claims to the USACE as appropriate.	On schedule. Priority 3 item; Minor item to be completed after Priority 1 and 2 items.



Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
					Original	Current			
18-08	6	Audit of Kissimmee River Restoration Project Cost Share For Land Acquisition Expenditures	In Process	In Process	12/31/2019	12/31/2019	Submit revised claims for unclaimed expenses charged to the tracts that have been submitted for credit but not yet approved by the USACE.	Agreed. Real Estate will work with the Office of the Inspector General to identify a list of tracts and then analyze and compile any unclaimed expenses and submit revised claims to the USACE as appropriate.	On schedule. Priority 3 item; Minor item to be completed after Priority 1 and 2 items.
18-08	11	Audit of Kissimmee River Restoration Project Cost Share For Land Acquisition Expenditures	In Process	In Process	12/31/2019	12/31/2019	Analyze all tracts that were allocated base salary expense in Fiscal Years 2009 and 2010 to determine whether expenses were allocated to creditable tracts. Consider requesting credit for the unclaimed salary expenses for the tracts were where already certified or submitted for credit.	Agreed. Real Estate will analyze the FY09 and FY10 salary expenses and request credit for any allowable, unclaimed salary expenses.	On schedule; Priority 3 item; minor item to be completed after Priority 1 and 2 items
18-08	12	Audit of Kissimmee River Restoration Project Cost Share For Land Acquisition Expenditures	In Process	In Process	12/31/2019	12/31/2019	Consider requesting the Finance Bureau's assistance in determining creditable Fiscal Years 2009 and 2010 fringe and indirect expenses associated with the creditable tracts.	Agreed. Real Estate will request assistance from the Finance Bureau when it analyzes the FY09 and FY10 salary expenses described in Recommendation 11.	On schedule; Priority 3 item; minor item to be completed after Priority 1 and 2 items
18-08	13	Audit of Kissimmee River Restoration Project Cost Share For Land Acquisition Expenditures	In Process	In Process	12/31/2019	12/31/2019	Request credit for all unclaimed creditable salary related expenses incurred during October 1, 2006 to present and any subsequent salary related expenses.	Agreed. Real Estate will request an update of salary expenses from the Finance Bureau to bring salary costs current and submit the salary expenses for credit.	On schedule; Priority 3 item; minor item to be completed after Priority 1 and 2 items
18-08	14	Audit of Kissimmee River Restoration Project Cost Share For Land Acquisition Expenditures	In Process	In Process	12/31/2019	12/31/2019	Review all non-salary related expenses classified as real estate costs not previously submitted for credit (on the master spreadsheet) for creditable expenses and request credit.	Agreed. The tracts to be submitted need to have the administrative costs researched prior to requesting credit. The administrative costs reflected on the Master Crediting Summary Spreadsheet were estimated based on the project-wide historical average of 13%. The remarks on the spreadsheet state that the administrative costs were estimated.	On schedule; Priority 1 item; as part of Audit No. 18-01, administrative costs will be researched as each crediting package is compiled and the spreadsheets will be updated accordingly.

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
					Original	Current			
18-08	17	Audit of Kissimmee River Restoration Project Cost Share For Land Acquisition Expenditures	In Process	In Process	12/31/2019	12/31/2019	Determine whether time spent by staff on KRRP land certifications and other related KRRP activities and not directly charged to the KRRP can be submitted for credit.	Agreed. Real Estate will request timesheet records for the former employee that was not charging her time to the project and will analyze if it is a good use of staff time to correct past time entries and request credit.	On schedule; Priority 3 item; minor item to be completed after Priority 1 and 2 items
18-08	19	Audit of Kissimmee River Restoration Project Cost Share For Land Acquisition Expenditures	In Process	In Process	3/31/2019	6/30/2019	Ensure that the District's cash contribution amount of \$9,623,241 is reflected on the USACE's master cost share spreadsheet.	Agreed. Per USACE email dated 11/14/18, SFWMD's cash contribution should be \$9,326,723. □SFWMD Real Estate is currently updating the real estate spreadsheet. Their estimated completion date is late January 2019. □Once that update has been completed, USACE will provide an updated PB2a shortly thereafter. □A meeting will need to be scheduled with USACE to review the updated report and come to a common understanding of expenditures that have been approved, disallowed, or are still pending. This will likely be scheduled in March.	In Progress; Office of Federal & Coordination Item; Real Estate Division updated the KRR Non-Federal Expenditures Cost Sheet on 3/21/19. A meeting was scheduled between USACE and SFWMD Real Estate Division on 6/26-6/27/19 to discuss and resolve discrepancies in crediting numbers; however, USACE cancelled the meeting on 6/24/19. KRR Real Estate Crediting will be discussed at the 7/25/19 QAOT meeting and a follow-up face-to-face meeting is pending. Following resolution of RE crediting discrepancies, USACE will update the PB2a.