



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

**For the Period July 1, 2024  
Through September 30, 2024**

**Project #25-01**

**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 5, 2024

**Subject:** Audit Recommendations Follow-Up Report -  
For the Period July 1, 2024 through September 30, 2024  
Project No. 25-01

A handwritten signature in blue ink, appearing to be "JTB", is written over the "From:" line.

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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 system as an integral part of monitoring the implementation status of audit recommendations. This system 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  
Jill Creech  
Maricruz Fincher  
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SueLynn Kirkland  
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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, 2024 through September 30, 2024 (the "Reporting Period"). As shown in Exhibit 1, as of June 30, 2024, for previously issued audit reports, two (2) recommendations were not yet Fully Implemented. The status of these recommendation remained the same during the current Reporting Period. Also, four (4) recommendations were added from a recently issued audit report. Two (2) of these recommendations were implemented during the Reporting Period. In total from all reports, four (4) recommendations were In-Process of being implemented as of September 30, 2024.

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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 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 1**  
**Summary of Recommendations Status**  
As of September 30, 2024

	In	Partially	
<b>Prior Period Reports</b>	<b>Process</b>	<b>Implemented</b>	<b>Total</b>
Status Prior Period (June 30, 2024)	2	-	2
Implemented, Partially Implemented, or Status Changed to No Longer Applicable, During Period	-	-	-
Remaining Recommendations to be Fully Implemented	2	-	2
<b>Recommendations from New Reports Issued</b>			
New Recommendations*	4	-	4
Implemented or Partially Implemented	(2)	-	(2)
Remaining Recommendations to be Fully Implemented	2	-	2
<b>Current Status</b>			
<b>Remaining Recommendations to be Fully Implemented</b>	<b>4</b>	<b>-</b>	<b>4</b>

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

**EXHIBIT 2**  
**Audit Reports With Implementation of Recommendations in Progress**  
**As of September 30, 2024**

Audit No.	Audit Title	No. of Recs		In Process	Partially Implemented	No Longer Applicable	Implemented	
	<b>Recommendations - Prior Period Reports</b>							
18-08	Audit of Kissimmee River Restoration Project Cost Share for Land Acquisition Expenditures	19	Initial Status	1	0	0	18	Open
			Change in Status	0	0	0	0	
			Current Period Status	1	0	0	18	
22-20	Audit of CERP Land Acquisition Cost Share	7	Initial Status	1	0	0	6	Open
			Change in Status	0	0	0	0	
			Current Period Status	1	0	0	6	
	<b>Recommendations from New Reports Issued</b>							
22-24	Audit of Land Sales Proceeds	4	Initial Status	4	0	0	0	
			Change in Status	-2	0	0	2	
			Current Period Status	2	0	0	2	
	<b>Recommendations - All Reports</b>							
	<b>TOTAL</b>	26	Prior/Initial Status	6	0	0	24	
			Change in Status	-2	0	0	2	
			Status Current Period	4	0	0	26	
	<b>Number of Recommendations Remaining to Be Fully Implemented</b>	<b>4</b>		<b>4</b>	<b>0</b>			

**EXHIBIT 3**  
**Detail of In-Process and Partially Implemented Audit Recommendations**  
**As of September 30, 2024**

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	12/31/2024	Expedite KRRP claim submittals to the USACE for acquired tracts not yet submitted, donations, and relocation costs.	Agreed. Workload has been shifted to delete 1 FTE full-time and 1 FTE part-time to submit the backing of claims (37 acquired tracts, 350 relocations and 50 donated tracts) within the next calendar year.	<b>Sept 30, 2024: 18 donation tracts remain to be submitted. Appraisals complete on 9 tracts and staff is compiling claim requests for submittal; remaining 9 tracts are being appraised</b> June 30, 2024: Submitted 1 relocation claim and 1 acquired tract. Appraisal complete for 1st donated tract containing 620 acres and claim is being prepared. Working on the appraisal for 7 donated tracts; claim to follow. The only claims remaining are on donated tracts, which require historical appraisals that are extremely time consuming.
22-20	1	Audit of CERP Land Acquisition Cost Share	In Process	In Process	12/31/2023	12/31/2024	Finalize the <i>Land Certification and Crediting Procedures</i> by completing procedures for CERP land crediting.	The existing <i>Land Certification and Crediting Procedures</i> will be updated to document process improvements gleaned from the KRRP Audit #18-08, and currently in use.	<b>Sept 30, 2024: in progress</b>
22-24	1	Audit of Land Sales Proceeds	In Process	Implemented	9/30/2024	10/15/2024	Coordinate with DEP about the \$2,908,894 in SOEFT surplus land related funds to determine whether the District should remit the funds to DEP or permit the funds to be use in accordance with relevant policies.	Management concurs with this recommendation. Staff discussed with DEP on February 26, 2024. Recommendation is to first look at the DEP and SFWMD MOU for land acquisition if there are guidelines. If not, then DEP said that they will discuss internally and provide direction.	<b>October 2024 Update - Staff reviewed Contract 4600004286-A10, page 9, "Cooperative Agreement Between SFWMD and the DEP on CERP and Remaining Foundation Projects Land Acquisitions" and it does allow for revenues derived from disposal of lands to be used to acquire other lands within the boundaries of CERP or remaining Foundation projects". DEP confirmed funds may be used.</b>
22-24	2	Audit of Land Sales Proceeds	In Process	In Process	9/30/2024	6/30/2025	Determine whether the \$173,544 remitted to DEP as part of unspent surplus funds in the Water Management Land, Preservation 2000, and Florida Forever Trust Funds was remitted erroneously. If so, determine the appropriate action to resolve this issue.	Management concurs. February 26, 2024, this was discussed with DEP, and they requested a copy of the audit. Staff will work with DEP to try and resolve.	<b>October 2024 Update - A copy of the Audit was provided and staff are still working with DEP. DEP is to discuss with Division of State Lands.</b>



Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
					Original	Current			
22-24	3	Audit of Land Sales Proceeds	In Process	Implemented	9/30/2024	9/24/2024	Ensure that the \$29,400 erroneously deposited to the Ad Valorem restricted surplus land sales revenue fund (Fund 402100) is transferred to the Water Management Land Trust Fund restricted surplus land sales fund (Fund 204100) in Fiscal Year 2025.	Management concurs. Budget staff will add a budget line item to the Fiscal Year 2024-2025 budget with a supporting operating transfer from the Ad Valorem restricted surplus land sales revenue fund 402100 to the Water Management Land Trust Fund restricted surplus land sales fund 204100.	October 2024 Update - This item is Completed - The FY2024-25 adopted budget on 9/24/2024 included an operating transfer of \$29,400 from 402100 to 204100.
22-24	4	Audit of Land Sales Proceeds	In Process	In Process	9/30/2024	10/31/2024	Ensure that the \$7,602 in administrative revenue erroneously deposited to the SOETF restricted sales proceeds is transferred to the appropriate account.	Management concurs. Budget staff will add a budget line item to the Fiscal Year 2024-2025 budget with a supporting operating transfer from SOETF restricted sales proceeds fund 412100 to Ad Valorem general revenue fund 101000.	October 2024 Update - Staff has determined that it is best to move revenue in FY2023-24 from investment earnings from fund 412100 to fund 101000 for the \$7,602 versus through an operating transfer in the adopted FY2024-25 budget. The Journal entry will be processed by October 31 during the adjustment period to FY2023-24.