# AUDIT RECOMMENDATIONS
# FOLLOW-UP REPORT
# For Fiscal Year 2004

**Prepared by**
## Office of Inspector General

**John W. Williams, Inspector General**
**J. Timothy Beirnes, Director of Auditing**

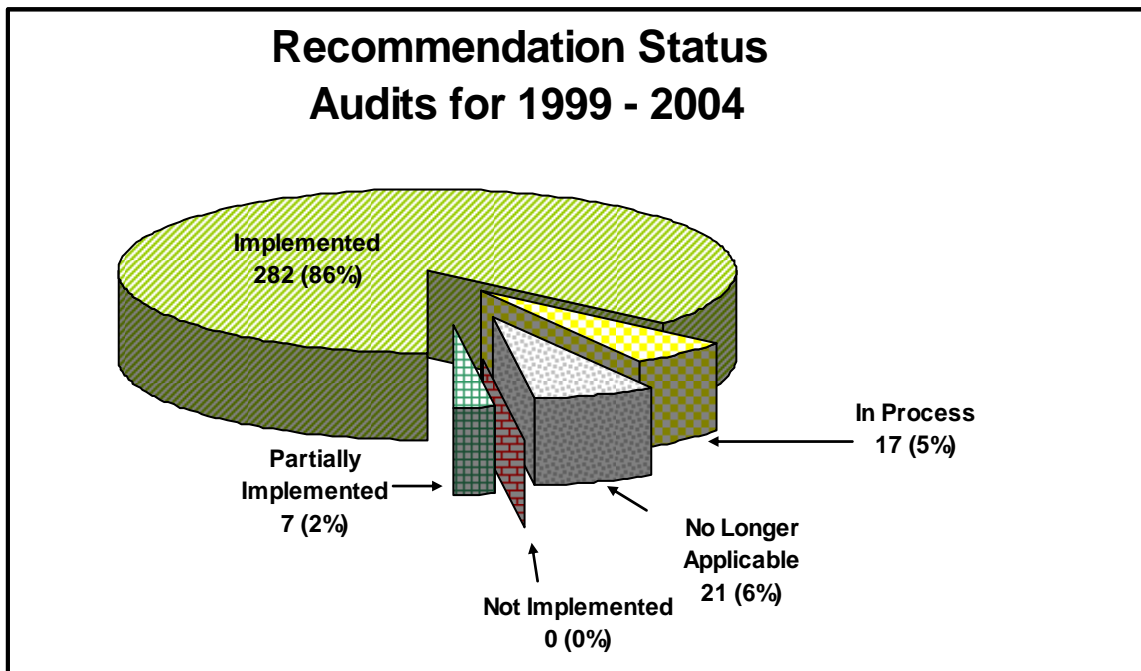# TABLE OF CONTENTS

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

This report on the implementation status of audit recommendations is for the six fiscal years 1999 through 2004. We are pleased to report that District management has satisfactorily addressed most of our 327 audit recommendations as shown in the following graph.

## Recommendation Status
## Audits for 1999 - 2004

Implemented
282 (86%)

In Process
17 (5%)

Partially
Implemented
7 (2%)

No Longer
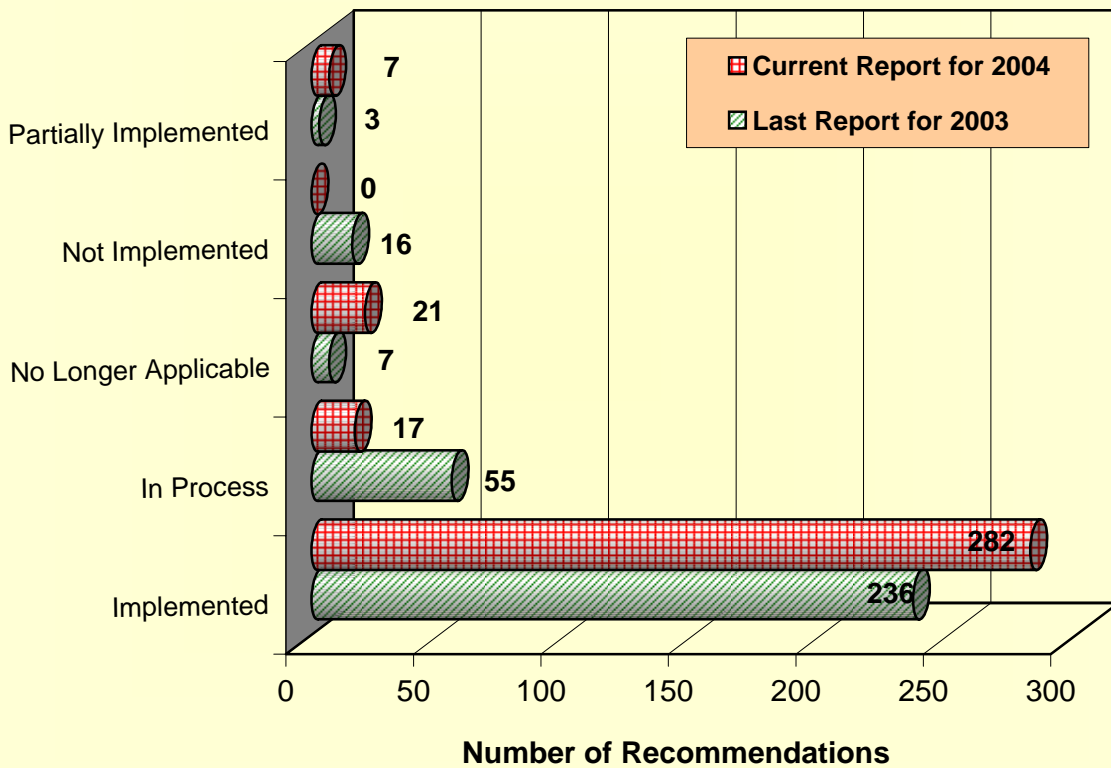Applicable
21 (6%)

Not Implemented
0 (0%)

A comparison between this year's report and that of last year shows a notable improvement in the number of recommendations implemented and a significant decrease in the "Not Implemented" category, which declined from 6% to zero percent of total recommendations. However, the number of recommendations deemed "No Longer Applicable" increased slightly. This category includes items where conditions have changed subsequent to issuance of the audit report that render 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).

## Current FY 2004 Status vs. Last FY 2003 Update

| OIG Status Of Recommendations | 2004 | % | 2003 | % |
|---|---|---|---|---|
| Implemented | 282 | 86% | 236 | 74% |
| In Process | 17 | 5% | 55 | 17% |
| No Longer Applicable | 21 | 6% | 7 | 2% |
| Not Implemented | 0 | 0% | 16 | 6% |
| Partially Implemented | 7 | 2% | 3 | 1% |
| TOTAL | 327 | | 317 | |

### Recommendation Status FY 2004 vs. FY 2003

- Current Report for 2004
- Last Report for 2003

Partially Implemented: 7 / 3

Not Implemented: 0 / 16

No Longer Applicable: 21 / 7

In Process: 17 / 55

Implemented: 282 / 236

**Number of Recommendations**

| Audit Name | Audit No. | Implemented | In Process | No Longer Applicable | Not Implemented | Partially Implemented |
|---|---|---|---|---|---|---|
| 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 | | |
| 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 | 3 | | | | 2 |
| 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 | | | | |
| Review of Contracting Practices | 01-01 | 3 | | | | |
| Human Resources Follow-up | 01-03 | 1 | | | | |

| Audit Name | Audit No. | Implemented | In Process | No Longer Applicable | Not Implemented | Partially Implemented |
|---|---|---|---|---|---|---|
| Quarterly Voucher Audit | 01-04 | 8 | | | | 3 |
| Audit of Land Acquisitions | 01-07 | 6 | 1 | | | |
| Investigation of Okeechobee Service Center Complaint | 01-09 | 3 | | | | |
| Post Implementation, Computerized Maint. Management Sys. | 01-10 | 5 | | 1 | | |
| Hydrologic Modeling Program | 01-11 | 3 | 4 | | | |
| 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 | 6 | | | | |
| Governing Board "Breakfast" Meetings Investigation w/ Sunshine Law | 01-19 | 4 | | | | |
| Audit of Water Use Permitting | 01-20 | 12 | 1 | 1 | | |
| Finance/Payroll Change Control, Backup & Recovery Process Controls | 01-21 | 5 | | | | |
| Audit of District Training Programs | 02-06 | 8 | 1 | | | |
| Proposed Upgrade/Replacement of SCADA System | 02-13 | 2 | | | | 1 |
| 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 | 2 | 3 | | | |
| Audit of the District's Public Information and Outreach Program | 02-23 | 8 | 1 | | | |
| H & H Modeling Services | 03-04 | 2 | | | | |
| Audit of Implementation of CERP | 03-07 | 3 | 3 | | | 1 |
| Audit of the Real Estate Appraisal Process | 03-15 | 7 | 2 | 1 | | |
| **Number of Audits** | **47** | | | | | |
| **Total Recommendations** | | **282** | **17** | **21** | **0** | **7** |

# Status of Recommendations
## Not Fully Implemented by Audit

| Audit No. | Audit Name |
|-----------|------------|

| Recommendation | Current Status | Auditor's Comment |
|----------------|----------------|-------------------|

| **00-09** | **Software Licensing Compliance Audit** | |
|-----------|----------------------------------------|--|

**#4** Compliance files must contain adequate documentation to support the current use of software on District computers.

**Partially Implemented**

Significant progress has been made towards implementing this recommendation. The District engaged an outside consultant to install and implement a desktop software solution that provides a complete inventory of all software installed on District computers. Software has been purchased where necessary to ensure the District has valid licenses for all installed software. Additionally, the Windows XP operating system provides a feature where software can only be installed by an authorized administrator. This feature significantly improved internal controls to prevent the installation of unauthorized software. However, the District still has not reached the point of 100% compliance yet.

| Original Due Date: | 6/1/2001 | Auditor Update: | 10/25/2004 |
|--------------------|----------|-----------------|------------|
| Revised Due Date: | 12/31/2004 | | |

**#5** Starting with all newly purchased software, compliance files for all District software needs to be maintained and reconciled against the Asset Management System (AMS) and Software Compliance Reports.

**Partially Implemented**

Significant progress has been made towards implementing this recommendation. The District engaged an outside consultant to install and implement a desktop software solution that provides a complete inventory of all software installed on District computers. Software has been purchased where necessary to ensure the District has valid licenses for all installed software. Additionally, the Windows XP operating system provides a feature where software can only be installed by an authorized administrator. This feature significantly improved internal controls to prevent the installation of unauthorized software. However, the District still has not reached the point of 100% compliance yet.

| Original Due Date: | 12/15/2000 | Auditor Update: | 10/25/2004 |
|--------------------|------------|-----------------|------------|
| Revised Due Date: | 12/31/2004 | | |

| **01-04** | **Quarterly Voucher Audit** | |
|-----------|------------------------------|--|

**#1** The District's payment policy needs to be amended to be consistent with the Prompt Payment Act as it pertains to construction contracts.
.

**Partially Implemented**

A Prompt Payment Policy has been approved. Policy implementation will be worked out in the FY05 fiscal year.

| Original Due Date: | 3/31/2002 | Auditor Update: | 9/1/2004 |
|--------------------|-----------|-----------------|----------|
| Revised Due Date: | 3/31/2005 | | |

| Audit No. | Audit Name | | |
|---|---|---|---|
| **Recommendation** | | **Current Status** | **Auditor's Comment** |

**#2** The District should streamline the contract payment process so that payments are made in accordance with the Prompt Payment Act.

**Partially Implemented**

A Prompt Payment Policy has been approved. Policy implementation will be worked out in the FY05 fiscal year.

| Original Due Date: | 4/30/2002 | | Auditor Update: | 9/1/2004 |
| Revised Due Date: | 3/31/2005 | | | |

**#3** The requirements of the Prompt Payment Act should be communicated to all those involved in the payment process through memos, revised policies, and training.

**Partially Implemented**

A Prompt Payment Policy has been approved. Policy implementation will be worked out in the FY05 fiscal year.

| Original Due Date: | 4/30/2002 | | Auditor Update: | 9/1/2004 |
| Revised Due Date: | 3/31/2005 | | | |

| 01-07 | Audit of Land Acquisitions |
|---|---|

**#1** Streamline the cost-sharing credit process by developing procedures that are acceptable to the USACE and District.

**In Process**

Negotiations continue with USACE. Management has requested that the land crediting section be handled separately since USACE staff has agreed with the proposal made by the District.

| Original Due Date: | 12/31/2002 | | Auditor Update: | 11/18/2004 |
| Revised Due Date: | 3/30/2005 | | | |

| 01-11 | Hydrologic Modeling Program |
|---|---|

**#2** The District should adopt a formal System Development Life Cycle process for model development including design, development, testing, implementation, and maintenance (change management) with all the necessary authorizing documentation (audit trail) for the steps in the process.

**In Process**

In May 2004, IT redirected several resources to the Office of Modeling that will aid in not just coming up with a development lifecycle, but will assist in helping get the Office of Modeling to a level 3 compliance with the Capability Maturity Model (CMM). A CVS respository at http://pparker/shared/cvs/cvs.php/OoM_CMM contains documentation pertaining to the CMM. It contains a directory called MSDLC (Model Software Development Lifecycle), which contains a draft document on a model development lifecycle. It is currently in draft form pending review by the Model Development Division.

| Original Due Date: | 9/20/2002 | | Auditor Update: | 11/15/2004 |
| Revised Due Date: | 9/30/2005 | | | |

**#4** Review all members of the Unix "HSM group" to determine if access with read, write, and execute privileges to this group is necessary to their job responsibilities.
.

**In Process**

This is still in process but expected to be completed by March 30,2005.

| Original Due Date: | 7/1/2002 | | Auditor Update: | 12/2/2004 |
| Revised Due Date: | 3/31/2005 | | | |

| Audit No. | Audit Name | | |
|---|---|---|---|

| | Recommendation | Current Status | Auditor's Comment |
|---|---|---|---|
| **# 5** | Ensure that a disaster recovery backup copy of the server data is created and stored at an off-site location. | **In Process** | This recommendation was originally made in 1998 as part of the IT Security Audit. 10/2004 – IT has a disaster recovery plan in process of development. |
| | Original Due Date: 10/10/2002 | | Auditor Update: 11/15/2004 |
| | Revised Due Date: 9/30/2005 | | |
| **# 7** | Efforts to replace the Sun/Solaris Workstations for District modelers with the less expensive power PC/Linux configuration utilizing public domain software should be completed. | **In Process** | Due to budget cuts, the Office of Modeling's (OoM), porting of the SFWMM to Linux has been painstakingly slow and is still in process. The OoM has determined that the WMM tool still needs to be successfully ported to Linux so that it may continue to provide multiple functionalities as a data generation and test modeling tool. |
| | Original Due Date: 7/31/2003 | | Auditor Update: 11/15/2004 |
| | Revised Due Date: 3/31/2005 | | |

| 01-17 | Audit of Claimed Interest Costs-Foster Wheeler Environmental Co-#C8301 | | |
|---|---|---|---|
| **# 1** | If Management determines that interest charges are allowable under the Bank contract, we recommend that FWENC's claimed imputed interest be offset by the District's land and staff costs in the cost of money interest calculation (see Appendix). | **In Process** | No recent progress has been made in resolving this issue. District staff responsible for the Mitigation Bank will prepare a briefing of the issues for management review and discussion. A strategy for resolving the issue will then be developed. |
| | Original Due Date: 9/30/2002 | | Auditor Update: 8/30/2004 |
| | Revised Due Date: 3/31/2005 | | |

| 01-20 | Audit of Water Use Permitting | | |
|---|---|---|---|
| **# 4** | Consider a permit condition that encourages electronic entry of required data by water use permit holders. | **In Process** | This recommendation is under consideration as part of the overall compliance database implementation. An ePermitting project will be launched in FY 2005. |
| | Original Due Date: 12/31/2003 | | Auditor Update: 8/30/2004 |
| | Revised Due Date: 12/31/2005 | | |

| 02-06 | Audit of District Training Programs | | |
|---|---|---|---|
| **# 5** | A charge-back system for employee taught classes should be considered. | **In Process** | The District is implementing a new enterprise resource management system (SAP) where cost allocations will be easier to develop and manage. In the mean time until the new system is implemented, HR is reminding employees of upcoming classes that they have signed up for.  . |
| | Original Due Date: 2/1/2003 | | Auditor Update: 10/25/2004 |
| | Revised Due Date: 12/31/2005 | | |

| Audit No. | Audit Name |
|---|---|

| Recommendation | Current Status | Auditor's Comment |
|---|---|---|

**02-13**    **Proposed Upgrade/Replacement of SCADA System**

**# 2** The site survey should be validated to ensure that surveyed sites are necessary and do not duplicate existing or projected new sites.

| | Current Status | Auditor's Comment |
|---|---|---|
| | **Partially Implemented** | An engineering consulting firm was engaged to analyze the optimal deployment of sensors and issued a report in July 2004. Additional studies are scheduled through FY06. |

Original Due Date:    9/30/2003        Auditor Update:    7/7/2003

Revised Due Date:    9/30/2006

**02-22**    **Audit of the Water Supply Plans Implementation**

**# 2** Reexamine water supply plan recommendations receiving zero or minimal funding to determine if the recommendation should be repeated in or deleted from the Regional Water Supply Plans updates.

     **In Process**      All recommendations will be examined during updates of the water supply plans for which two of the four plans have been completed.

Original Due Date:    12/31/2005        Auditor Update:    8/31/2004

Revised Due Date:    12/31/2005

**# 4** In each planning region, plans should be solicited from local governments and utilities on their expected future growth and water supply needs along with their plans for implementation of water supply development projects to meet these projected needs as was done in the Lower East Coast plan.

     **In Process**      This process is underway as part of determining the water demand and supply for the update of the four regional water supply plans.

Original Due Date:    1/31/2005        Auditor Update:    8/31/2004

Revised Due Date:    1/31/2005

**# 5** Develop additional performance measurements for:
• alternative water supply,
• water supply and water resource development,
• conservation of water supplies, and
• restoration of natural resources.

     **In Process**      Management expects to accomplish this as part of the District Water Management Plan Update scheduled for completion in December 2004.

Original Due Date:    6/1/2004        Auditor Update:    8/31/2004

Revised Due Date:    12/31/2004

**02-23**    **Audit of the District's Public Information and Outreach Program**

**# 3** The DPI should be provided the resources necessary to complete their Job Tracking and Reporting System.

     **In Process**      DPI is looking at "off the shelf" products that will allow for tracking and process management.

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Original Due Date:    3/31/2004        Auditor Update:    10/28/2004

Revised Due Date:    3/31/2005

| Audit No. | Audit Name | | |
|---|---|---|---|
| **Recommendation** | | **Current Status** | **Auditor's Comment** |

| 03-07 | Audit of Implementation of CERP | | |
|---|---|---|---|

**#1** Establish an action plan to have all In-kind Credit Request Reports and Quarterly Financial Reports up to date no later than April 6, 2004 - the end of the first five-year monitoring period.

**Partially Implemented**

The in-kind credit request reports are complete. Beginning with the September 30, 2003 quarterly report, Finance and CERP managers will determine 30 days prior to the end of each quarter whether budget values will be available to file the quarterly report.

Original Due Date:    9/30/2003                   Auditor Update:    10/25/2004

Revised Due Date:    9/30/2005

**#2** Work with the USACE in generating a rollup report of all CERP expenditures.

**In Process**

Cannot estimate date due to the fact that the USACE is the lead agency.

Original Due Date:    9/30/2004                   Auditor Update:    10/25/2004

Revised Due Date:    9/30/2005

**#5** Create a separate indirect cost pool for Land Resources.

**In Process**

This task is expected to be implemented with the conversion to the new financial software ( SAP ) where the use of multiple cost pools will be easier to develop and manage.

Original Due Date:    9/30/2003                   Auditor Update:    10/14/2004

Revised Due Date:    12/31/2005

**#7** Consider having the same auditor perform a combined audit covering expenditures of both entities or engage an auditing firm to audit the USACE's CERP expenditures.

**In Process**

The USACE is in the process of implementing a CGM which provides for federal review of District expenditures on an annual basis and grants credit in a timely manner. The District has no plans to audit USACE expenditures.

Original Due Date:    6/30/2004                   Auditor Update:    10/25/2004

Revised Due Date:    6/30/2005

| 03-15 | Audit of the Real Estate Appraisal Process | | |
|---|---|---|---|

**#8** All information (i.e. project, project boundaries, funding) about a potential acquisition should be obtained before ordering an appraisal, except when circumstances necessitate a quick response.

**In Process**

The full implementation of the IRIS work flow tracking data base will occur in the first quarter of FY05. This system will ensure that all necessary due diligence is completed prior to ordering an apraisal with any exceptions approved and documented.

Original Due Date:    1/1/2004                   Auditor Update:    10/26/2004

Revised Due Date:    3/31/2005

**#10** Hold in-house appraisers to the same deadlines that outside appraisers are held by establishing priorities and follow-up.

**In Process**

Accurately tracking the timing for all appraisal related activities will be greatly enhanced with the full implemenatation of the IRIS data base and workflow tracking system. Full implementation of the IRIS work flow data base will occur in the first quarter of FY05.

Original Due Date:    1/1/2004                   Auditor Update:    10/26/2004

Revised Due Date:    3/31/2005