

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
AUDIT COMMITTEE MEETING AGENDA**

GoTo Webinar Link: <https://attendee.gotowebinar.com/register/6113585241594134544>

Public Comment Form Link: www.MySuwanneeRiver.com/Comments

Open to Public

August 9, 2022
Following Board Meeting

District Headquarters
Live Oak, FL

1. Call to Order / Committee Roll Call

2. Public Comment

Discussion Items

3. Inspector General Report #22-02, Prior Audit Findings
4. Annual Report of District Inspector General Activities for the Fiscal Year 2021-2022
5. Inspector General Three Year Audit Plan for Fiscal Years 2023 to 2025 and Fiscal Year 2022-2023 Internal Annual Work Plan
6. Renewal of Contract Number 16/17-082 with Powell and Jones, CPA
7. **Announcements**
8. **Adjournment**

A person may not lobby the District until such person has registered as a lobbyist with the Contracts and Procurement Coordinator by filing a registration form.

Definitions:

•"Lobbies" is defined as seeking to influence a district policy or procurement decision or an attempt to obtain the goodwill of a district official or employee. (112.3261(1)(b), Florida Statutes [F.S.])

•"Lobbyist" is a person who is employed and receives payment, or who contracts for economic consideration, for the purpose of lobbying, or a person who is principally employed for governmental affairs by another person or governmental entity to lobby on behalf of that other person or governmental entity. (112.3215(1)(h), F.S.)

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

MEMORANDUM

TO: Audit Committee
FROM: Pam Shaw, Chief, Office of Finance
THRU: Tim Alexander, Deputy Executive Director, Business and Community Services
DATE: July 22, 2022
RE: Inspector General Audit Report #22-02, Prior Internal Audit Findings

RECOMMENDATION

Acceptance of the Inspector General Audit Report #22-02, Prior Internal Audit Findings, from Law, Redd, Crona & Munroe, P.A.

BACKGROUND

The Inspector General (IG) conducted follow-up activities related to IG Report #21-02 and IG Report #21-03, both dated July 27, 2021. Three findings from IG Report #21-02 and one finding from IG Report #21-03 were examined to determine the status of corrective actions taken.

The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and generally accepted Government Audit Standards.

The Inspector General's report identifies three findings as corrected with no further action needed. One finding was partially corrected as of the IG Report 22-02 report date of May 31, 2022. This finding has since been fully corrected.

To avoid the possibility of compromising security details the content of this report is confidential and exempt from public disclosure pursuant to section 281.301, Florida Statutes. However, the specific details have been communicated to District management.

PS/rl

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

MEMORANDUM

TO: Audit Committee
FROM: Pam Shaw, Chief, Office of Finance
THRU: Tim Alexander, Deputy Executive Director, Business and Community Services
DATE: July 15, 2022
RE: Annual Report of District Inspector General Activities for the Fiscal Year 2021-2022

RECOMMENDATION

Acceptance of the Annual Report of the District Inspector General Activities for the Fiscal Year 2021–2022 from Law, Redd, Crona & Munroe, P.A.

BACKGROUND

Pursuant to Section 20.055(8), Florida Statutes, and Section 6 of District Contract 12/13-040, Law, Redd, Crona & Munroe, P.A., prepared the attached Annual Report of District Inspector General Activities for Fiscal Year ending September 30, 2022, dated June 23, 2022. The report is a summary of activities completed by the Inspector General including two audit reports:

- Report No. 22-01, Internal Audit of the District’s Payroll and Related Human Resources Processes
- Report No. 22-02, Follow-up on District Corrective Actions Regarding Prior Internal Audit Findings

PS/rl
Attachments

**SUWANNEE RIVER
WATER MANAGEMENT DISTRICT**

**ANNUAL REPORT
OF
DISTRICT INSPECTOR GENERAL ACTIVITIES**

**For the Fiscal Year Ending
September 30, 2022**

June 23, 2022

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Law, Redd, Crona & Munroe, P.A.
Certified Public Accountants

Governing Board
Suwannee River Water Management District
9225 CR 49
Live Oak, Florida 32060

Pursuant to Section 20.055(8), Florida Statutes, and Section 6 of the agreement with the District to serve as your Inspector General, we are pleased to present this Annual Report of District Inspector General Activities for the fiscal year ending September 30, 2022. Thank you for the opportunity to work with you and management in promoting accountability, integrity, and efficiency at the District.

If you have any questions regarding this Annual Report, please contact Richard Law, C.P.A.

Sincerely,

LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
June 23, 2022

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
ANNUAL REPORT OF DISTRICT INSPECTOR GENERAL ACTIVITIES
June 23, 2022**

INTRODUCTION

The Suwannee River Water Management District (District) and Law, Redd, Crona & Munroe, P.A. (LRCM) entered into an agreement, which was amended on June 18, 2018, for LRCM to provide District Inspector General Services pursuant to Sections 373.079(4)(b)2., and 20.055, Florida Statutes, and serve as a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in the District. In accordance with the contract requirements and Section 373.079(4)(b), Florida Statutes, Francis Marvin Doyal, CPA, CIG, was designated by the Governing Board as Inspector General for the District under the contract with LRCM. On May 18, 2022, Sam McCall, CPA, CIG, succeeded Marvin as the District Inspector General.

LRCM, under the direction of the District Inspector General, is to:

- Conduct financial, compliance, electronic data processing, and performance audits of the District and prepare audit reports of its findings.
- Initiate, conduct, supervise, and coordinate investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses in state government.
- Not later than September 30 of each year, prepare an annual report to the Board summarizing the activities of the Inspector General during the District's immediately preceding fiscal year.
- Self-report to the Board any written complaints, should they arise, that concern inappropriate actions or allegations of misconduct related to the duties and responsibilities of the District Inspector General or LRCM at the District.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
ANNUAL REPORT OF DISTRICT INSPECTOR GENERAL ACTIVITIES
June 23, 2022**

ASSIGNED STAFF

During the fiscal year ending September 30, 2022, the following LRCM personnel worked on District Inspector General activities:

Name	Position	Certifications
Francis Marvin Doyal (through May 17, 2022) Sam McCall (from May 18, 2022)	District Inspector General	Certified Public Accountant Certified Inspector General
Richard Law	Managing Partner	Certified Public Accountant
Jon Ingram	Information Technology Audit Manager	Certified Public Accountant Certified Information Systems Auditor
Darryl Rudell	Auditor	

INSPECTOR GENERAL ACTIVITIES

LRCM and the District Inspector General completed the following activities during the year:

- Conducted a risk assessment and based on the results of the risk assessment, prepared a general internal audit plan for the three fiscal years ending September 30, 2024, and a detailed internal audit plan for the fiscal year ending September 30, 2022. The audit plans were approved by the Governing Board on September 14, 2021.
- Performed two internal audits, as described in the following section.

The District Inspector General did not receive any complaints relating to District operations during the fiscal year and did not initiate or conduct any investigations.

INTERNAL AUDITS PERFORMED IN 2021-22

Report No. 22-01, Internal Audit of the District’s Payroll and Related Human Resources Processes

This audit focused on selected District procedures and controls over the processing of payroll and related human resources (HR) processes. Based on the results of our audit procedures, the District’s records demonstrated compliance with its policies and

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
ANNUAL REPORT OF DISTRICT INSPECTOR GENERAL ACTIVITIES
June 23, 2022

procedures related to its payroll and HR activities.

Report No. 22-02, Follow-up on District Corrective Actions Regarding Prior Internal Audit Findings

This follow-up was conducted pursuant to Section 20.055(8)(c)4., Florida Statutes and the District's internal audit activity charter. All findings included in the scope of our follow-up pertained to District information technology and cybersecurity controls. Accordingly, the report is confidential and exempt from public disclosure pursuant to Section 281.301, Florida Statutes.

Our report noted that the District is making substantial progress in addressing the prior audit findings and recommendations disclosed in our internal audit reports issued through September 30, 2021. All but one of the prior internal audit findings included in the scope of our follow-up activities have been corrected. The remaining prior finding, which pertains to network security, has been partially corrected and District management has identified planned actions to address the finding.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

MEMORANDUM

TO: Audit Committee

FROM: Pam Shaw, Chief, Office of Finance

THRU: Tim Alexander, Deputy Executive Director, Business and Community Services

DATE: July 15, 2022

RE: Inspector General Three-Year Audit Plan for Fiscal Years 2023 to 2025 and Fiscal Year 2022-2023 Internal Audit Work Plan

RECOMMENDATION

Acceptance of the Inspector General's Three-Year Audit Plan for Fiscal Years 2023 to 2025 and the Fiscal Year 2022-2023 Internal Work Plan for Law, Redd, Crona & Munroe, P.A.

BACKGROUND

Law, Redd, Crona & Munroe, P.A., prepared a Three-Year Internal Audit Plan for Fiscal Years 2023 to 2025 (attached) with a list of recommended future audit topics for the Audit Committee's consideration. The topics were identified based on the Inspector General's risk assessment activities and discussion with District management.

Law, Redd, Crona & Munroe, P.A., also prepared the Fiscal Year 2022-2023 Internal Audit Work Plan (attached) for the Audit Committee's review and approval.

PS/rl
Attachments

Suwannee River Water Management District
Three Year Internal Audit Plan
For the Fiscal Years Ending September 30, 2023 through September 30, 2025

1. 2023
 - a. Update Risk Assessment
 - b. Follow-up on Prior Internal Audit Findings (if any)
 - c. Six Month Follow-up on Auditor General Findings (if any)
 - d. Employee Teleworking and Remote Working
 - e. Annual Report of IG Activities

2. 2024
 - a. Update Risk Assessment
 - b. Follow-up on Prior Internal Audit Findings (if any)
 - c. Land Acquisition, Land Surplus, and Conservation Easements
 - d. Annual Report of IG Activities

3. 2025
 - a. Update Risk Assessment
 - b. Follow-up on Prior Internal Audit Findings (if any)
 - c. Internal Audit – topic to be selected
 - d. Annual Report of IG Activities

Annual audit plans are also subject to unexpected events that may require the services of the Inspector General/Internal Auditor.

A list of recommended future topics for the Audit Committee’s consideration is included below. The following topics were identified based on our risk assessment activities, including discussions with District management:

- Competitive Selection Procurement Process (last audited in 2015-16)
- Business Continuity and Emergency Response Planning
- Performance Measures (last audited in 2017-18)

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
2023 INTERNAL AUDIT WORK PLAN**

Audit Area	Tentative Work Plan	Planned Start Date	Estimated Hours
Employee Teleworking and Remote Working	Review District policies, procedures, and controls related to employee teleworking and remote working. <ul style="list-style-type: none"> – Process and criteria for authorizing employee teleworking or remote working. – Procedures for monitoring, managing, and evaluating performance, time, and attendance of employees working remotely. – Controls over the security and availability of employees’ remote access to District systems and data. – District monitoring of employee teleworking/remote working impact on the productivity of programs, activities, and functions. 	February 2023	70
Follow-up on Prior Internal Audit Findings	<ul style="list-style-type: none"> – Review the status of District corrective action toward the observations and recommendations in prior internal audit reports that are unresolved through September 30, 2022 	May 2023	10
Six-Month Follow-up on Auditor General Findings	<ul style="list-style-type: none"> – Pursuant to Section 20.055, F.S. and the District contract for IG services, determine the status of District corrective actions taken toward the recommendations in the Auditor General’s operational audit (report number and release date TBD). 	Spring/Summer 2023	20
Discretionary	<ul style="list-style-type: none"> – Reserved for procedures to be performed at the discretion of the Inspector General without the prior knowledge of management. – Perform additional procedures as deemed necessary as a result of other procedures performed or at the request of the Governing Board, management, and/or external auditor. 	October 2022 – September 2023	15
Reporting	<ul style="list-style-type: none"> – Preparation of Internal Audit Reports – Presentation of Draft Reports to District CFO – Presentation of Final Audit Reports to Audit Committee – Presentation of Annual Report of IG Activities to Audit Committee 	October 2022 - September 2023	30
Risk Assessment and Planning	<ul style="list-style-type: none"> – Discussions with District CFO and other management as necessary – Other risk assessment procedures – Identify areas of concern – Design of specific audit procedures – Presentation of audit plans to Governing Board’s Audit Committee 	Summer 2023	20

Total Hours	165.00
Estimated Blended Hourly Rate	\$147.75
Subtotal	\$24,378.75
Travel (s. 112.061, F.S.)	\$1,000.00
Estimated Fee	\$25,378.75

Estimated Blended Hourly Rate

	<u>Hourly Rate</u>	<u>Per Cent Utilized</u>	<u>Extension</u>
Inspector General	\$220	10%	\$ 22.00
Partner-in-Charge	\$220	10%	22.00
Audit Manager/IT Manager	\$155-165 (blended)	25%	40.00
Senior Auditor	\$125	35%	43.75
Staff Auditor	\$100	20%	<u>20.00</u>
	Blended Rate		<u><u>\$ 147.75</u></u>

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

MEMORANDUM

TO: Audit Committee

FROM: Pam Shaw, Chief, Office of Finance

THRU: Tim Alexander, Deputy Executive Director, Business and Community Services

DATE: July 15, 2022

RE: Renewal of Contract Number 16/17-082 with Powell and Jones, CPA

RECOMMENDATION

Approve the renewal of Contract 16/17-082 with Powell and Jones, CPA, for Audit Services not to exceed \$28,000 for Fiscal Year 2022-2023.

BACKGROUND

In 2016, the District put the financial audit services out for bids on RFP 15/16-30EO. Powell and Jones, CPA, won the bid and was awarded a three-year contract for Fiscal Year (FY) 2017 through 2019 for an amount not to exceed \$82,400, including annual rates of: FY 2017 - \$26,900, FY 2018 - \$27,500, and FY 2019 - \$28,000. The contract provides an option for five subsequent one-year renewals. The contract was renewed in FY 2020, FY 2021, and FY 2022 for \$28,000 each year. This renewal represents year four of the subsequent renewals.

Powell and Jones, CPAs, has performed the annual financial audits since FY 2013. In addition to providing financial audit services, Powell and Jones, CPA submits the Annual Financial Report to the Florida Department of Financial Services – Bureau of Accounting and to the Federal Single Audit Clearinghouse. Powell and Jones, CPAs, also provides routine guidance to the Finance staff.

Staff recommends the renewal of financial audit services with Powell and Jones, CPAs, for a one-year term commencing on October 1, 2022, and continuing through September 30, 2023.

Funding for this work is contingent upon approval of the FY 2022-2023 under account code 01-2585-6-6103-01.

PJS/tm
Contract #16/17-082