

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

**GoTo Webinar Link:** <https://attendee.gotowebinar.com/register/8869860789368549215>

**Public Comment Form Link:** [www.MySuwanneeRiver.com/Comments](http://www.MySuwanneeRiver.com/Comments)

Open to Public

August 8, 2023  
Following Board Meeting

District Headquarters  
Live Oak, FL

**1. Call to Order / Committee Roll Call**

**2. Public Comment**

**Discussion Items**

3. Inspector General Report #23-03, Prior Audit Findings
4. Annual Report of District Inspector General Activities for the Fiscal Year 2022-2023
5. Inspector General Three-Year Audit Plan for Fiscal Years 2024 to 2026 and Fiscal Year 2023-2024 Internal Annual Work Plan

6. Renewal of Contract with Reliant CPAs, P.A. dba 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 17, 2023  
RE: Inspector General Audit Report #23-03, Prior Internal Audit Findings

**RECOMMENDATION**

Acceptance of the Inspector General Audit Report #23-03, Prior Internal Audit Findings, from Law, Redd, Crona & Munroe, P.A.

**BACKGROUND**

The Inspector General (IG) conducted follow-up activities on the corrective action plan related to one finding on IG Report #22-02 dated May 31, 2022. The District had partially corrected this information technology (IT) finding carried forward from an internal audit report issued prior to October 1, 2021.

The Inspector General's report identifies one issue as corrected with no further action needed and one issue with corrective action in progress.

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.

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

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 17, 2023

RE: Annual Report of District Inspector General Activities for the Fiscal Year 2022-2023

**RECOMMENDATION**

Acceptance of the Annual Report of the District Inspector General Activities for the Fiscal Year 2022–2023 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, 2023, dated July 21, 2023. The report is a summary of activities completed by the Inspector General including three audit reports:

- Report No. 23-01, Internal Audit of the Employee Remote Work Arrangement
- Report No. 23-02, Follow-up Report on District Corrective Actions Regarding Auditor General Audit Report No. 2023-047
- Report No. 23-03, Follow-up on District Corrective Actions Regarding Prior Internal Audit Findings

PS/rl  
Attachment

**SUWANNEE RIVER  
WATER MANAGEMENT DISTRICT**

**ANNUAL REPORT  
OF  
DISTRICT INSPECTOR GENERAL ACTIVITIES**

**For the Fiscal Year Ending  
September 30, 2023**

**July 21, 2023**

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**Law, Redd, Crona & Munroe, P.A.**  
*CPAs and Advisors*

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, 2023. 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  
July 21, 2023

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
ANNUAL REPORT OF DISTRICT INSPECTOR GENERAL ACTIVITIES  
July 21, 2023**

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**INTRODUCTION**

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The Suwannee River Water Management District (District) and Law, Redd, Crona & Munroe, P.A. (Law Redd) entered into an agreement, which was amended on June 18, 2018, for Law Redd 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, Sam McCall, CPA, CIG, CIA, serves as Inspector General for the District under the contract with Law Redd.

Law Redd, 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 District operations.
- 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 Law Redd at the District.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
ANNUAL REPORT OF DISTRICT INSPECTOR GENERAL ACTIVITIES**

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**ASSIGNED STAFF**

During the fiscal year ending September 30, 2023, the following Law Redd personnel worked on District Inspector General activities:

<b>Name</b>	<b>Position</b>	<b>Certifications</b>
Sam McCall	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

**INSPECTOR GENERAL ACTIVITIES**

Law Redd 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 concise internal audit plan for the three fiscal years ending September 30, 2025, and a detailed internal audit plan for the fiscal year ending September 30, 2023. The audit plans were approved by the Governing Board on September 13, 2022.
- Performed three internal audits, as described in the following section.
- Provided additional value-added services, described below, that were beyond contract requirements.

The District Inspector General did not receive any complaints relating to District operations during the fiscal year; did not initiate or conduct any investigations; and did not receive any complaints that concern the duties and responsibilities of the District Inspector General or Law Redd.

**INTERNAL AUDITS PERFORMED IN 2022-23**

**Report No. 23-01, Internal Audit of Employee Remote Work Arrangements**

This audit focused on selected District procedures and controls over employee remote work arrangements. The District allows its employees to work remotely subject to management's approval based on criteria set forth in District policy. Based on the results of our audit procedures, we concluded that the District's Remote Work procedures provide a

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
ANNUAL REPORT OF DISTRICT INSPECTOR GENERAL ACTIVITIES**

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documented, structured process for requesting, approving, and monitoring employee remote work arrangements.

**Report No. 23-02, Follow-up on District Corrective Actions Regarding Auditor General Audit Report No. 2023-047, Operational Audit of the Suwannee River Water Management District, dated November 2022**

Pursuant to Section 20.055(6)(h), Florida Statutes, the District’s Inspector General is required to report to the Governing Board on the status of corrective actions taken on Auditor General report findings. Our follow-up audit focused on District actions taken to address the finding and recommendation made by the Auditor General regarding the District’s Agricultural Cost-Share Program. We concluded that District management has corrected the finding.

**Report No. 23-03, 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. Both issues 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.

We concluded that the District corrected one of the two issues included within the scope of our follow-up activities and is in the process of addressing the other issue.

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**ADDITIONAL SERVICES PROVIDED IN 2022-23**

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During the contract year, Law Redd provided the following additional value-added services to the District that were beyond contract requirements.

- We worked with the District Governing Board Chair and Executive Director to change the audit report distribution process to ensure the Chair receives each report when issued, which could be one or more weeks prior to a regularly scheduled Board meeting. The Chair agreed that receiving each report prior to a regularly scheduled Board meeting would allow the Chair, representing the Board, to be aware of issues and to respond to questions asked by interested parties and/or the media.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**ANNUAL REPORT OF DISTRICT INSPECTOR GENERAL ACTIVITIES**

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- We made suggestions to the Executive Director and Chief Financial Officer (CFO) that should better align the Employee Procedures Manual with District policies relating to fraud and whistle-blower protocol to be followed within the District. The Executive Director and CFO agreed that such alignment would be addressed when the Employee Procedures Manual is next revised.
- In April 2023, the District Inspector General made a presentation to the full Governing Board and a separate presentation to approximately 30 District staff on *Improving Internal Controls and Reducing the Risk of Fraud at the Suwannee River Water Management District*. The presentation appeared to be well received and demonstrated the Board, Executive Director, and staff desire to further improve District risk management, controls, and governance processes.

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 17, 2023

RE: Inspector General Three-Year Audit Plan for Fiscal Years 2024 to 2026 and Fiscal Year 2023-2024 Internal Audit Work Plan

**RECOMMENDATION**

Acceptance of the Inspector General's Three-Year Audit Plan for Fiscal Years 2024 to 2026 and the Fiscal Year 2023-2024 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 2024 to 2026 (attached) with a list of recommended future audit topics for the Audit Committee's consideration. The audit topics are 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 2023-2024 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, 2024, through September 30, 2026**

1. 2024
  - a. Update Risk Assessment
  - b. Follow-up on Prior Internal Audit Findings – includes one previously reported recommendation on cybersecurity controls.
  - c. Land Acquisition and Management – District policies, procedures, and controls for ensuring that:
    - i. Land is acquired in an economic manner and in compliance with State laws, regulations, and funding requirements;
    - ii. District-owned land is managed in compliance with State laws, regulations, and funding requirements; and
    - iii. Land is identified for disposition for justified reasons and disposed of in an economic manner and in compliance with State laws and regulations.
    - iv. Conservation easements will be included in the scope of the audit.
  - d. Annual Report of IG Activities
  
2. 2025
  - a. Update Risk Assessment
  - b. Follow-up on Prior Internal Audit Findings (if any)
  - c. Emergency Management – District continuity of operations planning and other emergency response planning pursuant to State laws and Division of Emergency Management guidelines.
  - d. Annual Report of IG Activities
  
3. 2026
  - a. Update Risk Assessment
  - b. Follow-up on Prior Internal Audit Findings (if any)
  - c. Follow-up on AG Findings (if any)
  - d. Internal Audit – topic to be selected
  - e. 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 – District purchasing policies and procedures for ensuring compliance with Chapter 287, Florida Statutes, including the District’s solicitation and award process (last audited in 2015-16)

- Performance Measures – District performance measurement and reporting pursuant to DEP’s performance measures reporting instructions (last audited in 2017-18)
- Cybersecurity – specific security functions to be included in the audit scope would be selected based on risk assessment activities (last audited in 2020-21 but included in the scope of follow-up on prior audit findings in subsequent years through 2023-24)

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
2024 INTERNAL AUDIT WORK PLAN**

Audit Area	Tentative Work Plan	Planned Start Date	Estimated Hours
<b>Land Acquisition and Management</b>	<ul style="list-style-type: none"> <li>- Review District policies, procedures, and controls for ensuring that land, including conservation easements, is purchased in an economic manner and in compliance with State laws, regulations, and funding requirements.</li> <li>- Review District policies, procedures, and controls for ensuring that District-owned land is managed in compliance with State laws, regulations, and funding requirements.</li> <li>- Review District surplus land designation and disposition policies, procedures, and controls for ensuring that land is identified for disposition for justified reasons and disposed of in an economic manner and in compliance with laws and regulations.</li> </ul>	February 2024	80
<b>Follow-up on Prior Internal Audit Findings</b>	<ul style="list-style-type: none"> <li>- Review the status of District corrective action toward the observations and recommendations in prior internal audit reports that are unresolved through September 30, 2023</li> </ul>	May 2024	20
<b>Discretionary</b>	<ul style="list-style-type: none"> <li>- Reserved for procedures to be performed at the discretion of the Inspector General without the prior knowledge of management.</li> <li>- 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.</li> </ul>	October 2023 – September 2024	15
<b>Reporting</b>	<ul style="list-style-type: none"> <li>- Preparation of Internal Audit Reports</li> <li>- Presentation of Draft Reports to District CFO</li> <li>- Presentation of Final Audit Reports to Audit Committee</li> <li>- Presentation of Annual Report of IG Activities to Audit Committee</li> </ul>	October 2023 - September 2024	30
<b>Risk Assessment and Planning</b>	<ul style="list-style-type: none"> <li>- Discussions with District CFO and other management as necessary</li> <li>- Other risk assessment procedures</li> <li>- Identify areas of concern</li> <li>- Design of specific audit procedures</li> <li>- Presentation of audit plans to Governing Board’s Audit Committee</li> </ul>	Summer 2024	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	<u>\$25,378.75</u>

**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 17, 2023

RE: Renewal of Contract with Reliant CPAs, P.A. dba Powell and Jones, CPA

**RECOMMENDATION**

Approve the renewal of Contract 16/17-082 with Reliant CPAs, P.A. dba Powell and Jones, CPA, for Audit Services not to exceed \$28,000 for Fiscal Year 2023-2024.

**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, FY 2022, and FY 2023 for \$28,000 each year. This renewal represents the final subsequent renewal.

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 Reliant CPAs, P.A. dba Powell and Jones, CPAs, for a one-year term commencing on October 1, 2023, and continuing through September 30, 2024.

Funding for this work is contingent upon approval of the FY 2023-2024 Final Budget.

PJS/tm  
Contract #16/17-082