



SUWANNEE RIVER WATER MANAGEMENT DISTRICT AUDIT COMMITTEE MEETING AGENDA

YouTube Link: <https://www.youtube.com/@SRWMD>
Open to the Public

August 12, 2025
Following Board Meeting

District Headquarters
Live Oak, FL

1. Call to Order / Committee Roll Call
2. Public Comment

Discussion / Action Items

3. Inspector General Audit Report Number 25-01, Follow-up on District Corrective Actions Regarding Prior Internal Audit Findings
4. Inspector General Report Number 25-02, Land Acquisition and Management
5. Annual Report of District Inspector General Activities for Fiscal Year 2024-2025
6. Inspector General Three-Year Audit Plan for Fiscal Year 2026 to 2028 and Fiscal Year 2025-2026 Internal Audit Work Plan
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 21, 2025

RE: Inspector General Audit Report Number 25-01, Follow-up on District Corrective Actions Regarding Prior Internal Audit Findings

RECOMMENDATION

Acceptance of the Inspector General Audit Report Number 25-01, Follow-up on District Corrective Actions Regarding 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 IG Report #24-01 dated May 29, 2024. This report included four observations to improve District cybersecurity controls in the areas of risk assessment, use and protection of removable media, destruction of computer hard drives of old computers awaiting surplus, and monitoring the software patch status of District computers.

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 concluded that the District has suitably addressed the observation and recommendation in Report #25-01 and no further follow-up action is necessary.

To avoid the possibility of compromising security details the content of this report is confidential and exempt from public disclosure pursuant to Section 119.0725, 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, Assistant Executive Director, Business and Community Services

DATE: July 21, 2025

RE: Inspector General Audit Report Number 25-02, Land Acquisition and Management

RECOMMENDATION

Approve the Audit Committee recommendation to accept of the Inspector General Audit Report Number 25-02, Land Acquisition and Management, from Law, Redd, Crona & Munroe, P.A.

BACKGROUND

The Inspector General (IG) conducted an internal audit to evaluate selected District procedures and controls to ensure that land is purchased and managed in compliance with State laws, regulations, and funding requirements. The scope of this audit included District land acquisitions and land management activities during the period of January 1, 2023, through December 31, 2024.

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

The IG Report Number 25-02 concluded that the District's land acquisition and management processes are well documented and demonstrate compliance with Florida Statutes, District administrative rules, Governing Board directives, and District procedures.

PS/rl
Attachment

**SUWANNEE RIVER
WATER MANAGEMENT DISTRICT**

**REPORT ON INTERNAL AUDIT OF
LAND ACQUISITION AND MANAGEMENT**

REPORT #25-02

June 24, 2025

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

We have performed internal audit procedures at the Suwannee River Water Management District (District) to review the District's policies, procedures and controls for ensuring land is purchased and managed in compliance with State laws, regulations, and funding requirements.

This audit was performed in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objective of our audit was to test and evaluate District compliance with selected policies, procedures and controls over land acquisition and management. The accompanying report presents our analysis and is organized as follows:

- Background
- Objectives, Scope, and Methodology
- Summary of Results

Our audit scope focused on District land acquisition and management activities during the period January 1, 2023 through December 31, 2024. Our audit procedures included:

- Obtaining and inspecting applicable District documented policies and procedures, related Florida Statutes, and Administrative Rules;
- Obtaining and reviewing the District's acquisition protocols;
- Discussions with District staff;
- Performing tests of the District's land acquisition, exchange, and management policies and procedures.

This report is intended solely for the information and use of the Governing Board, District management, and the Auditor General and is not intended to be used by anyone other than these specified parties.

Law Redd Crona + Munroe P.A.

LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
June 24, 2025

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
LAND ACQUISITION AND MANAGEMENT
June 24, 2025

BACKGROUND

The District’s land acquisition and management activities are governed by Florida Statutes, District administrative rules, Governing Board directives, and Section 34 of the District employee procedures manual. Section 373.139(2), Florida Statutes, provides district governing boards the authority to acquire real property, easements and other rights therein, for flood control, water storage, water management, conservation and protection of water resources, aquifer recharge, water resource and water supply development, and preservation of wetlands, streams, and lakes.

Land Acquisitions

The District acquires lands for various water management purposes relating to restoring and protecting the water and natural resources of North Central Florida. The District coordinates with the state’s Florida Forever program to evaluate projects within the District’s boundary. The state’s Florida Forever Priority List of projects is developed by the Florida Department of Environmental Protection (DEP) Acquisition and Restoration Council (ARC), and approved by the Governor and Cabinet. The District maintains a land acquisition project map on its website that includes parcels advantageous to the District for fee or less than fee purchase. Lands of interest are added to the map annually and listed as “proposed.” Lands that are approved at the planning level by way of approval of the Florida Forever Plan are listed as “Planning Approved.” Finally, lands approved for potential acquisition by the Governing Board are listed as “Approved for Detailed Assessment.” Other land information, such as current ownership and DEP Florida Forever Projects, may be included as well for reference.

For District land acquisitions, willing sellers contact the District by either completing an Acquisition Application or sending an email with similar information. The seller’s property will then be evaluated by District staff to determine the extent to which the acquisition will contribute to achieving the goals in Section 259.105(4), Florida Statutes, and provide a recommendation for acquisition to the Governing Board. Following Governing Board approval of a property for state priority funding, the seller must provide the District evidence of good and sufficient fee title to the property and provide access to the District and its agents as needed to obtain appraisals as required under Section 373.139(3)(c), Florida Statutes. One appraisal is required if the property is expected to cost less than \$1,000,000; two are required if expected cost is greater than \$1,000,000. Appraisers are selected from an approved list of appraisers maintained by DEP. An Environmental Site Assessment and baseline inventory report are also required.

Negotiations are required to be supported by estimates of value obtained from certified appraisers. If two or more appraisals are obtained, the offer to the landowner should be within the range of values in the certified appraisal reports. Under no circumstances should

the offer exceed the highest market value estimate contained in the appraisal reports. After a review and acceptance of the appraisal, final negotiations will commence. A proposed offer to a landowner must receive prior approval from the Executive Director or a designee.

Upon negotiation of acceptable price and terms, an option contract or purchase agreement shall be presented to the Governing Board and then submitted to the landowner. The District shall schedule a public hearing and notify the local government of jurisdiction at least 14 days prior to the public hearing.

Following Governing Board approval, the Executive Director or a designee executes the agreement. In the case of an option, the executed agreement shall consist of the original option signed by the landowner and a copy of the letter signed by the Executive Director notifying the landowner of the District's intention to exercise the option.

As needed, staff prepares a request to DEP for funding of the purchase. A copy of the request is forwarded to the Finance Office, accompanied by an invoice reflecting the amount to be received. For carryover/internal trust fund monies, the Finance Office shall be notified. The Finance Office notifies the Executive Director or a designee when all required funds are available.

Staff ensures that all closing requirements are met in accordance with the terms of the agreement and funding or receipt of funding. Once a closing date has been set, the District's counsel office prepares the closing documents. The closing documents are reviewed for accuracy, a payment request is prepared and submitted with a copy of the unsigned closing statement to the Finance Office for review before funds are issued.

After the closing, if a request for funding was sent to DEP, the Finance Office prepares and sends a post-closing reconciliation to DEP.

Original closing documents are retained by District counsel until the recorded deed and title insurance policy has been received. District council prepares a closing binder and forwards it to the District. The closing binder is reviewed for completeness and then forwarded to the District's central files.

Land Exchanges

Section 373.089(4), Florida Statutes, provides that district governing boards may exchange lands, or interests or rights in lands, owned by, or lands, or interests or rights in lands, for which title is otherwise vested in, the districts for other lands, or interests or rights in lands, within the state owned by any person. Governing boards shall fix the terms and conditions of any such exchange and may pay or receive any sum of money that the board considers necessary to equalize the values of exchanged properties. Land, or interests or rights in land, acquired under former Section 373.59, Florida Statutes (2014), may be exchanged only for lands, or interests or rights in lands, that otherwise meet the requirements of that section for acquisition.

Land Management

Section 373.591, Florida Statutes, requires that water management districts annually establish land management review teams to determine if lands titled to the governing board are being managed for the purposes for which they were acquired and in accordance with district land management plans. Section 373.591(5), Florida Statutes, provides that districts shall report review team findings to their governing board by October 1 of each year.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of this audit was to evaluate selected District procedures and controls for ensuring that land is purchased and managed in compliance with State laws, regulations, and funding requirements. The scope of this audit included District land acquisitions and land management activities during the period of January 1, 2023, through December 31, 2024.

To achieve our audit objectives, we conducted the following procedures:

- 1) Interviewed selected members of District management to obtain an understanding of the District's land acquisition, management, and disposition processes.
- 2) Reviewed applicable Florida Statutes; District Administrative Rules; Governing Board directives; and Chapter 34 of the District's Policy and Procedures Manual.
- 3) For land management, we examined the District's Land Management Plan along with the fiscal year 2023 and 2024 Land Management Review Team reports.
- 4) Obtained listings of the following:
 - a) Land acquisitions during the period 1/1/2023 through 12/31/2024, which totaled three;
 - b) Land exchanges during the period 1/1/2023 through 12/31/2024, which totaled two and;
 - c) Conservation easements owned as of 12/31/2024, which totaled 54. There were no acquisitions of easements during our audit period.
- 5) Tested the District's compliance with attributes listed below for land acquisition, exchange, and management. All three land acquisitions and both land exchanges occurring during the period 1/1/2023 through 12/31/2024, were included in our testing. We also judgmentally selected the most recently acquired conservation easement

owned by the District as of 12/31/2024. No dispositions of District property occurred during the period.

For each of the three land acquisitions, we examined files for documentation of compliance with the following attributes:

- a) The District received a bona fide offer for sale from the owner.
 - i) The bona fide offer included:
 - (1) The county property appraiser's tax parcel identification number;
 - (2) An aerial map or other documentation upon which the property boundaries are shown or described;
 - (3) A copy of the deed showing the current owner of record for the property being offered;
 - (4) The owner's initial asking price for the property;
 - (5) Identification of any easements, deed restrictions, mineral interests, or other rights held by persons other than the fee title owner; and,
 - (6) Identification of any existing purchase agreement, option contract, listing agreement, or any other agency arrangement or agreement entered into by the seller relating to the subject property.
- b) The bona fide offer was evaluated by District staff, to determine the extent to which the acquisition would contribute to achieving the goals in Section 259.105(4), Florida Statutes, and District staff provided the Governing Board a recommendation for disposition of the offer.
- c) The Governing Board approved the evaluation.
- d) The seller provided the District with evidence of good and sufficient fee title to the property.
- e) An appraisal was performed by a qualified appraiser who was registered, licensed, or certified under Part II, Chapter 475, Florida Statutes and was on the DEP approved appraiser list (for donations, an appraisal may be waived upon concurrence of both the property owner and the District.)
- f) An Environmental Site Assessment and baseline inventory reporting was performed by a qualified appraiser who was certified in environmental assessment as the District deemed appropriate.
- g) The Governing Board adopted a purchase resolution which authorized the Executive Director to execute a contract specifying the source of funds for the land to be acquired.

For the two exchanges of land, we examined District files for documentation of compliance with the following attributes:

- a) The exchange of the land for other lands met or exceeded the conservation objectives for which the original land was acquired
- b) The Governing Board fixed the terms and conditions of the exchange that the board considered necessary to equalize the value of exchanged properties.

For the conservation easement included in our testing, we examined District files for documentation of District ownership.

Please see Table 1 which shows the three land acquisitions, two land exchanges, and the one conservation easement examined for this audit. In addition, Exhibits 1-6 show District maps for the tested projects with supporting explanations for the acquisition or exchange. Maps and supporting explanations were obtained from District land acquisition files.

SUMMARY OF RESULTS

Based on the results of our audit procedures described above, we concluded that the District's land acquisition and management processes are well documented and demonstrated compliance with Florida Statutes, District administrative rules, Governing Board directives, and District procedures.

We wish to take this opportunity to thank District staff for their assistance and cooperation in the conduct of our audit. If there are any questions regarding this report, please feel free to contact Sam McCall, CPA, CIG, CIA; or Geoffrey Adams, CPA, CISA, CFE.

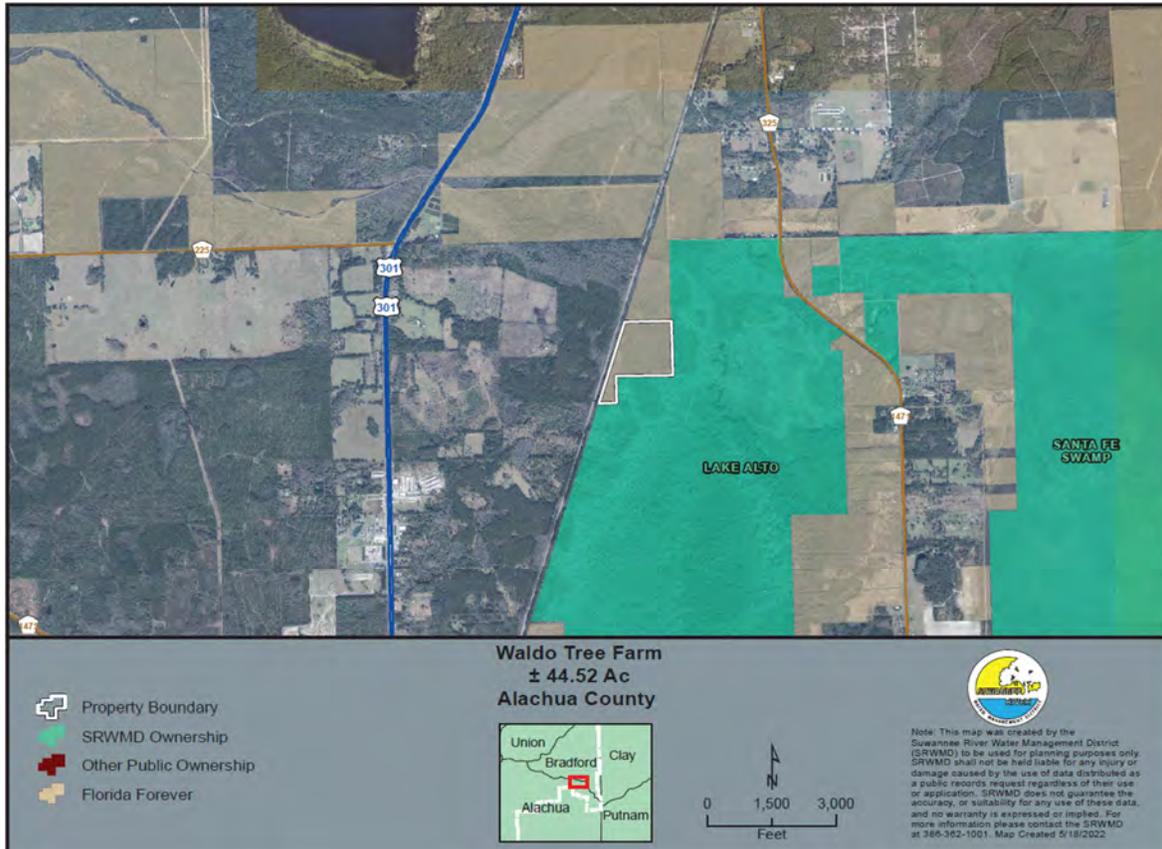
Law Redd Crona + Munroe P.A.

LAW, REDD, CRONA & MUNROE, P.A.

**Table 1
Lands Included In The Scope Of Our Audit Testing**

Land Acquisitions					
	Owner	Acres	County	Date	Purchase Price
1	Waldo Tree Farms LLC	44.52	Alachua	3/29/24	\$ 35,200.00
2	Camp ET.AL., LDT and Sara C. Abel, NC Family Ltd Ptr	266.16	Hamilton	1/5/24	\$ 870,000.00
3	Cajmar, LLC, Kellner Lasky et al	351.74	Gilchrist	9/27/23	\$ 780,906.50
Land Exchanges					
	Owner	Acres	County	Date	Exchange Price
1	Pflieger, Edwin F & Michael E	1.02	Dixie	9/25/23	\$ 3,300.00
	SRWMD to Edward Pflieger	-1.40	Madison	9/25/23	\$ (3,300.00)
2	Jay and Tammy Elizabeth Bierman	1.00	Levy	9/25/23	\$ 2,449.99
	Andrews (Dennis E., Kelby E., Miles D)	-0.49	Levy	9/25/23	\$ (2,449.99)
Conservation Easement					
	Seller	Acres	County	Date	Purchase Price
1	Harpo Holdings, Inc (Ross Preserve)	313.00	Gilchrist	9/30/22	\$ 550,000.00

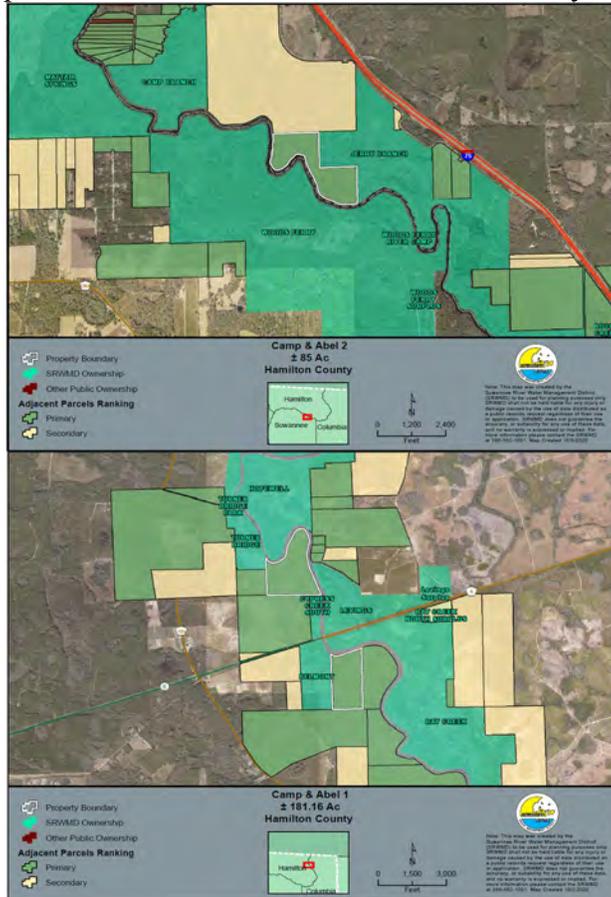
Exhibit 1
Waldo Tree Farms LLC



BACKGROUND

The parcel is adjacent to the District’s Lake Alto Tract. The parcel is within the District’s Florida Forever Plan, consists of 10-acres +/- of riverine surface water, 12 acres +/- within the 100-year floodplain, and is within the Eastern Water Supply Planning area and Santa Fe boundary map (BMAP). District staff visited the property and determined that there were no management issues associated with the property.

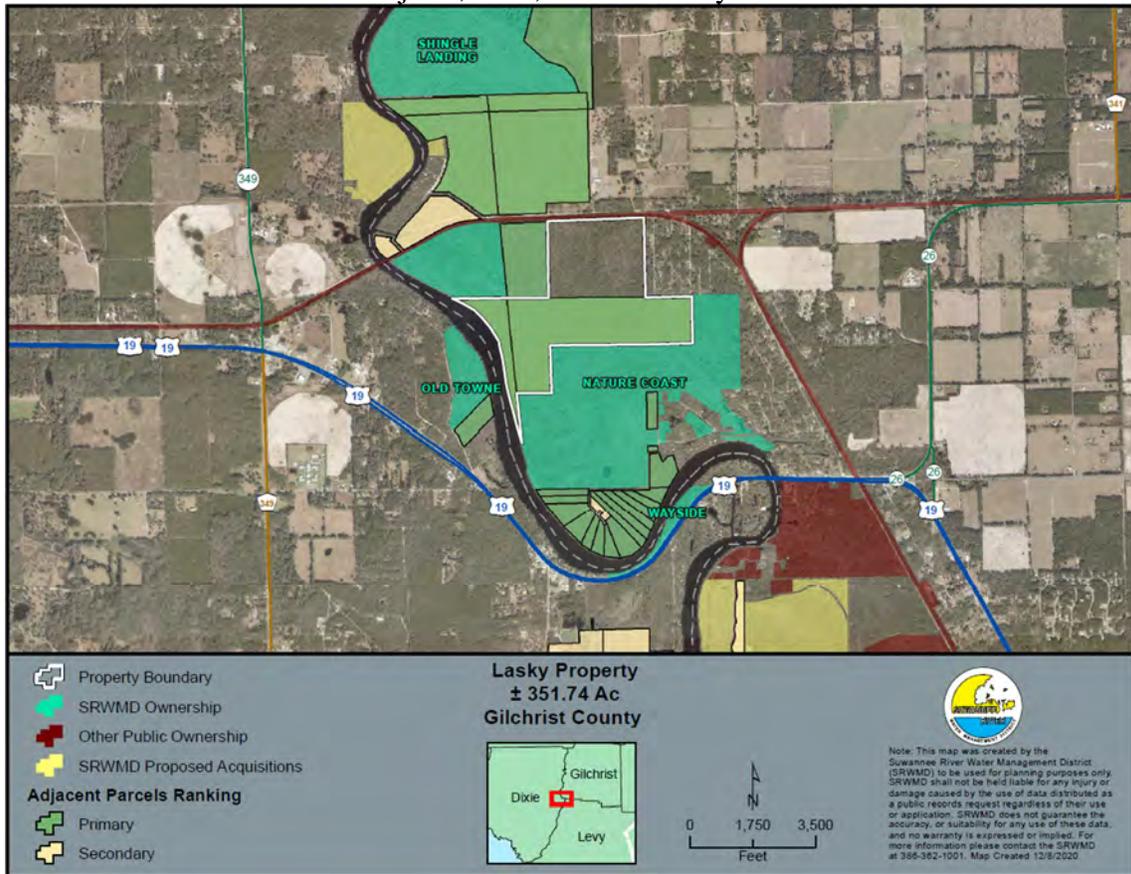
Exhibit 2
Camp ET.AL., LDT and Sara C. Abel, NC Family Ltd Ptr



BACKGROUND

Camp and Abel 1 contains two parcels located on the east side of Hamilton County abutting the Suwannee River and contain a combined 181.16 +/- acres. Camp and Abel 2 consists of one parcel located Southwest of the Camp and Abel 1 parcel and consists of 85 +/- acres also abutting the Suwannee River. Camp and Abel 1 and 2 are within the District’s Florida Forever workplan, are within the Eastern Water Supply Planning Area, provide surface water protection and flood protection benefits for the Suwannee River, and are adjacent to other District properties. Neither are within a priority focus area or BMAP. Camp and Abel 1 contains 58.67 acres +/- of riverine surface waters and is entirely within the 10 and 100-year floodplain (178.12 acres are within the floodway). Camp and Abel 2 contains 68.52 +/- acres within the floodway and 77.41 acres +/- within the 100-year floodplain. After review, District staff believed that ownership by the District would prevent further development in the floodway and floodplain, would improve public access to District lands and to the river, and would provide access for potential projects on the property.

Exhibit 3
Cajmar, LLC, Kellner Lasky et al

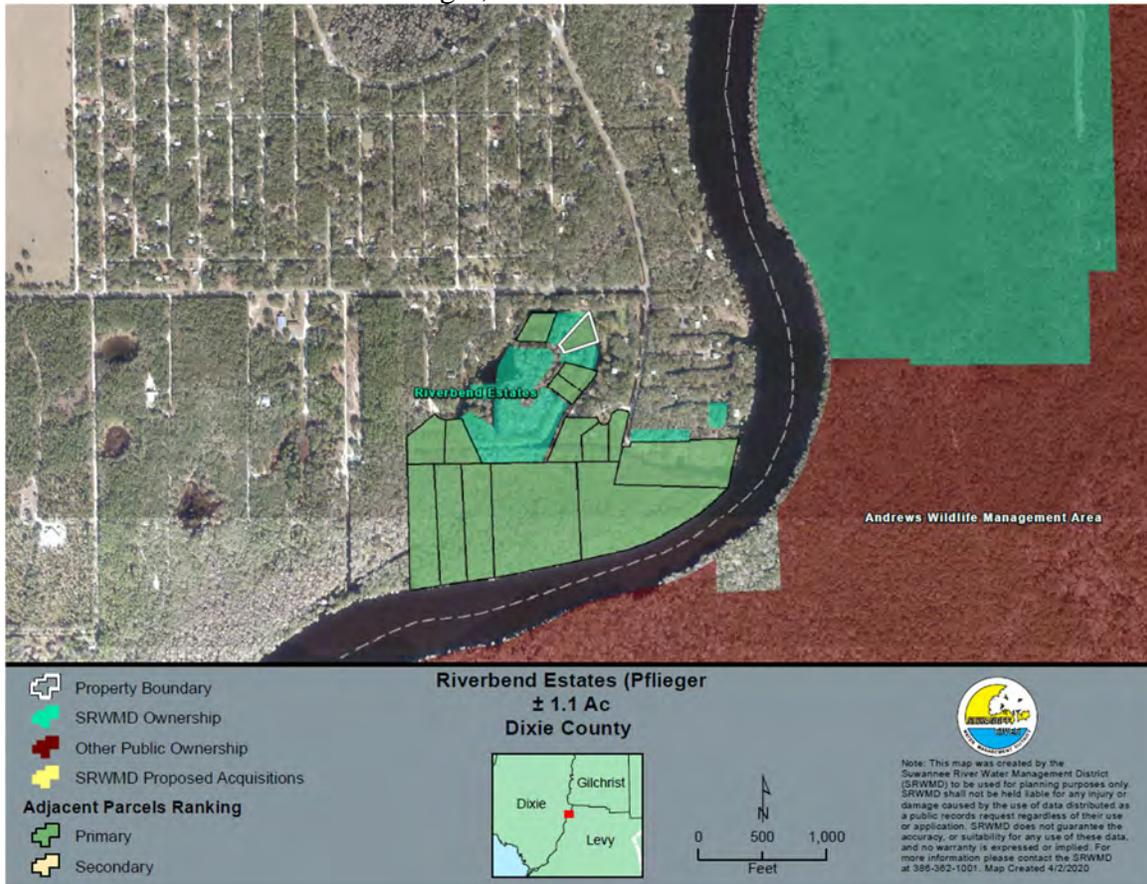


BACKGROUND

The parcel is adjacent to the District-owned Nature Coast Tract and includes approximately one mile of river frontage. The parcel is located within the Fanning Manatee Priority Focus Area, the Eastern Water Supply Planning Area, and the Suwannee Basin Management Action Plan. The parcel is 100% within floodway. The parcel is also 100% within the Fanning Spring shed and contains 40 acres +/- of riverine surface water. The parcel is partially within the District’s Florida Forever Workplan.

District staff believed that ownership by the District will protect the river water quality by cleaning up and preventing future dumping on the property, will prevent further development within the floodway, and protect the riverbank from further damage. Additionally, District ownership will increase public recreational opportunities on the parcel, provide opportunity for longleaf pine restoration, and potential future timber harvesting.

Exhibit 4
Pflieger, Edwin F & Michael E



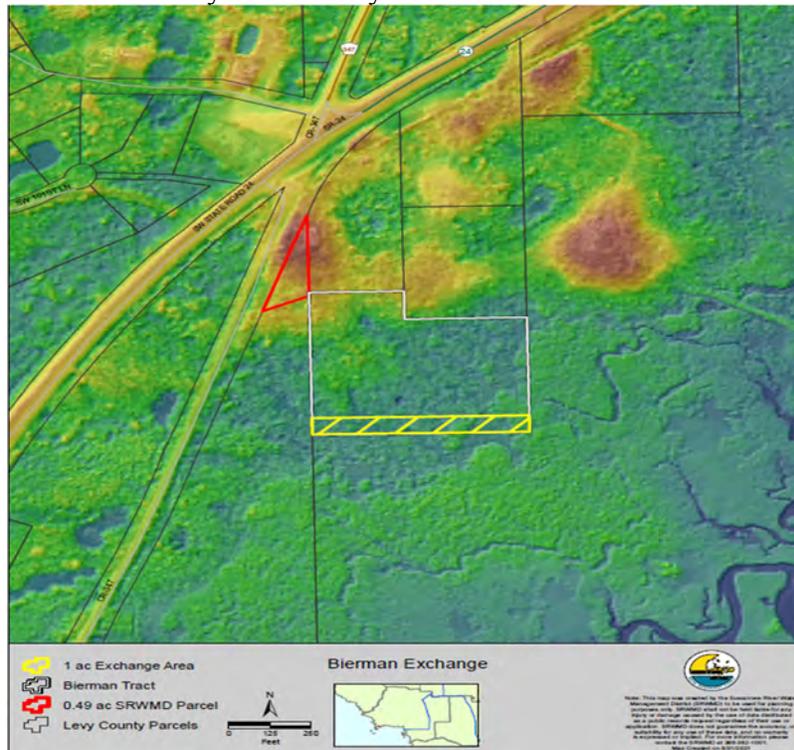
BACKGROUND

The parcel abuts two parcels owned by the District, is within the Fanning Springs spring shed, and is within the floodway and floodplain. The acquisition of the parcel would protect from further development within the floodway and would add to springs protection. Acquisition will also improve public access to existing district lands and increase recreational opportunities.

During negotiations with the sellers, it was agreed that the seller would accept a previously surplus parcel located in Madison County and identified as the Timber River parcel. This parcel consists of 1.42 acres +/-.

District staff reviewed the exchange proposal and determined that the Riverbend property provides greater conservation value to the District than the Timber River property which was previously determines to have no conservation value for the District.

Exhibit 5
Jay and Tammy Elizabeth Bierman

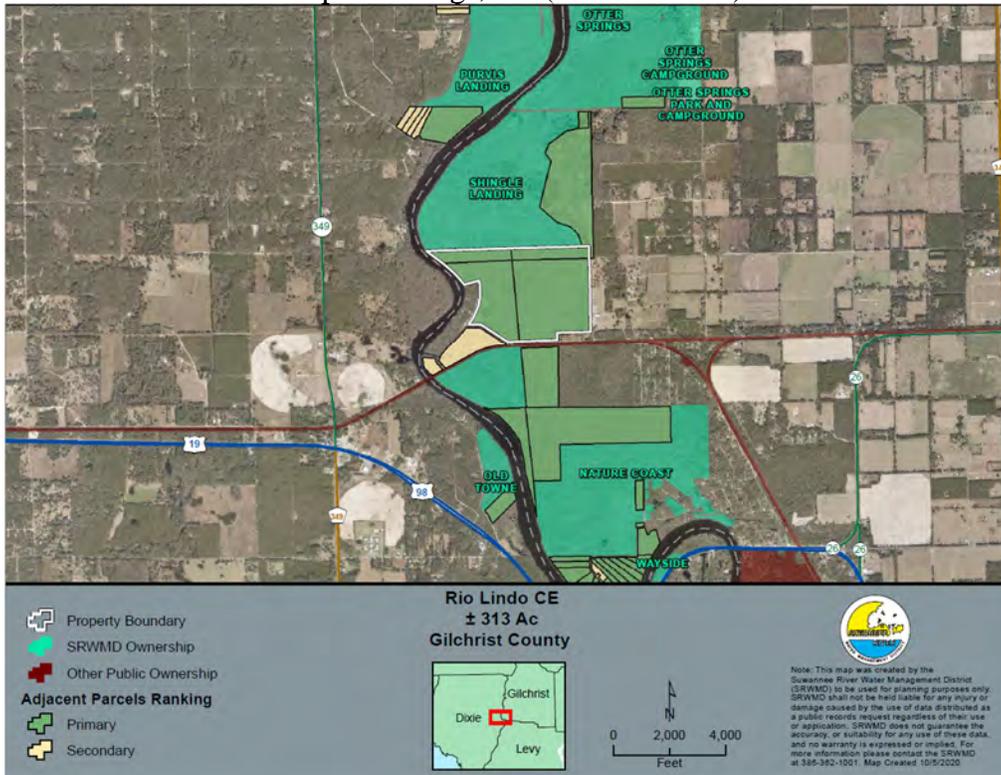


BACKGROUND

In June of 2020, the District was approached by the Bierman’s, to address a long-standing issue of an apparent boundary encroachment on land owned by the District adjacent to the Bierman property in Levy County. While not shown on surveys obtained by the District when the District Land was acquired or by a subsequent survey obtained by the Bierman’s, certain aerial photos, including those on the Property Appraisers website show that the Bierman house is encroaching upon the District’s property. District staff and the Bierman’s entered into discussions to determine a method to eliminate the perceived encroachment and ultimately determined, after consultation with legal counsel for both parties, that the easiest, most viable solution was a land exchange. Subsequently, in August 2020, Ms. Bierman presented an offer to the District wherein she would carve out a one-acre parcel of land that is directly adjacent to District land in the same area and exchange that with the District for the .49-acre parcel on which the encroachment appears.

The District staff acquisition and surplus review team reviewed the offer and determined that the exchange would be beneficial to the District because the land to be received appears to have a higher conservation value, is likely the same of greater value and will eliminate future legal issues for the District.

Exhibit 6
Harpo Holdings, Inc (Ross Preserve)



BACKGROUND

The parcel contains 224.5 +/- acres of riverine surface waters, 180 +/- acres within the floodway, and is entirely within the 100-year floodplain. The parcel is also contained within the District's Florida Forever Work Plan, is entirely within the Fanning Springs Priority Focus Area, and is adjacent to the District's Shingle Landing and Wannee tracts.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

MEMORANDUM

TO: Audit Committee
FROM: Pam Shaw, Chief, Office of Finance
THRU: Tim Alexander, Assistant Executive Director, Business and Community Services
DATE: July 21, 2025
RE: Annual Report of District Inspector General Activities for Fiscal Year 2024-2025

RECOMMENDATION

Acceptance of the Annual Report of the District Inspector General Activities for Fiscal Year 2024–2025 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, 2025, dated July 22, 2025. The report is a summary of activities completed by the Inspector General including three audit reports:

- Report No. 25-01, Follow-up Report on District Corrective Actions Regarding Prior Internal Audit Findings
- Report No. 25-02, Land Acquisition and Management
- Annual Report of District Inspector General Activities

PS/rl
Attachment

**SUWANNEE RIVER
WATER MANAGEMENT DISTRICT**

**ANNUAL REPORT
OF
DISTRICT INSPECTOR GENERAL ACTIVITIES**

**For the Fiscal Year Ending
September 30, 2025**

July 22, 2025

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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, 2025. Thank you for the opportunity to work with you and management to promote accountability, integrity, and efficiency at the district.

If you have any questions regarding this Annual Report, please contact Sam McCall, CPA, CIG, CIA; or Geoffrey Adams, CPA, CISA, CFE.

Sincerely,



LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
July 22, 2025

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
ANNUAL REPORT OF DISTRICT INSPECTOR GENERAL ACTIVITIES
July 22, 2025**

INTRODUCTION

The Suwannee River Water Management District (District) and Law, Redd, Crona & Munroe, P.A. (Law Redd) entered into an agreement, which was last amended on August 14, 2024, 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
July 22, 2025**

ASSIGNED STAFF

During the fiscal year ending September 30, 2025, the following Law Redd personnel worked on District Inspector General activities:

Name	Position	Certifications
Sam McCall	District Inspector General	Certified Public Accountant Certified Inspector General Certified Internal Auditor
Jon Ingram	Partner/Information Technology Audit Manager	Certified Public Accountant Certified Information Systems Auditor
Geoffrey Adams	Information Technology Audit Manager	Certified Public Accountant Certified Information Systems Auditor Certified Fraud Examiner
Darryl Rudell	Senior 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 an internal audit plan for the three fiscal years ending September 30, 2027, and a detailed internal audit plan for the fiscal year ending September 30, 2025. The audit plans were originally approved by the Governing Board on September 10, 2024. The plan required revisions due to an anticipated and unreleased OPPAGA report. The plans were revised and approved again on May 13, 2025.
- Performed two internal audits as described in the following section. One Revenue and Receipts internal audit is scheduled to begin in September 2025, with an estimated completion date of November 30, 2025.
- Provided additional value-added services, described below, that were beyond contract requirements.

During the fiscal year, the District Inspector General did not receive any complaints relating to District operations that resulted in the initiation of additional audits; did not receive any information that required the initiation of any administrative or whistle blower investigations; and did not receive any complaints that concern the duties and responsibilities of the District Inspector General or Law Redd.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
ANNUAL REPORT OF DISTRICT INSPECTOR GENERAL ACTIVITIES
July 22, 2025**

INTERNAL AUDITS PERFORMED IN 2024-25

Report #25-01, Follow-up on 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. The issues included in our follow-up audit pertained to District information technology and cybersecurity controls. We concluded that District management corrected three issues and sufficiently addressed the fourth issue, and no further follow-up action is considered necessary.

The report's content, which we provided to District management, is confidential and exempt from public disclosure pursuant to Section 119.0725, Florida Statutes.

Report #25-02, Land Acquisition and Management

This audit focused on the District's land acquisition and management activities from January 1, 2023, through December 31, 2024. The audit included the three land acquisitions, the two land exchanges during the audit period, and the latest conservation easement owned as of December 31, 2024. We also reviewed the district's land management plan and the land management team's activity reports, reporting on activity that occurred within our audit period. We concluded that the District's land acquisition and management activities included in our audit scope were well documented and demonstrated compliance with Florida Statutes, District administrative rules, Governing Board directives, and District procedures.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
ANNUAL REPORT OF DISTRICT INSPECTOR GENERAL ACTIVITIES
July 22, 2025**

ADDITIONAL SERVICES PROVIDED IN 2024-25

During the contract year, Law Redd provided the following value-added services to the District that were in addition to planned audits:

- Received a citizen complaint relating to District regulatory responsibilities. Initial contact was made with district management to discuss the issue and request to be copied on the final disposition of the issue. Subsequent contact was made, and the District Inspector General was informed the issue had been investigated, and the district was providing the citizen time to respond. Upon conclusion, the District Inspector General will be provided the final communications to and from the citizen. For these types of issues, which do not include allegations of fraud, waste, or abuse in the District’s regulatory powers, District management is expected to proceed to address complaints in a fair and timely manner and, without Inspector General direct involvement. Should there be repeated complaints relating to a regulatory area indicating a significant weakness in policies and procedures or systems of control, the Inspector General, through these additional monitoring activities, would consider recommending an audit for Board approval.

- The District Human Resource Manager contacted the Inspector General to obtain additional comments and insights relating to a potential conflict of interest regarding an employee. The District Inspector General responded by referencing applicable Florida Statutes, providing thoughts for consideration, and suggesting management consider the Florida Commission on Ethics as an additional resource if needed. This matter was addressed at the District level and considered resolved.

- The District Inspector General has and continues to maintain contact with the Florida Department of Environmental Protection Inspector General and the Governor’s Chief Inspector General to keep current on any proposed changes in Florida Law relating to new audit issues or proposed changes to Florida Law about statutory responsibilities of Inspectors General. In addition, the District Inspector General, who also serves as the Inspector General of the Northwest Florida Water Management District, maintains contact with the Inspectors General of the St. Johns River Water Management District and the Southwest Florida Water Management District. Such contact and collaboration improve our knowledge relating to water management operations and responsibilities.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
ANNUAL REPORT OF DISTRICT INSPECTOR GENERAL ACTIVITIES
July 22, 2025

- In April 2025, the District Inspector General provided professional training to State of Florida Inspectors General, Audit Managers, and new staff auditors on Internal Auditing Standards. The training occurred over a two-day period and included attendance by the St. John's River Water Management and Southwest Florida Water Management Districts' Inspectors General. The District Inspector General is pleased to be associated with the Suwannee River Water Management District in this training.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

MEMORANDUM

TO: Audit Committee

FROM: Pam Shaw, Chief, Office of Finance

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

DATE: July 21, 2025

RE: Inspector General Three-Year Audit Plan for Fiscal Years 2026 to 2028 and Fiscal Year 2025-2026 Internal Audit Work Plan

RECOMMENDATION

Acceptance of the Inspector General's Three-Year Audit Plan for Fiscal Years 2026 to 2028 and the Fiscal Year 2025-2026 Internal Audit 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 2026 to 2028 (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 2024-2026 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, 2026, THROUGH SEPTEMBER 30, 2028**

1. 2026
 - a. Update Risk Assessment
 - b. Revenue and Receipts – District controls for ensuring the accuracy and completeness of recorded revenues. The specific revenue-generating activity to be included in the audit scope is timber sales as determined by the internal audit risk assessment. (Started in September 2025)
 - c. Six-Month Follow-up on Auditor General Operational Audit Findings (if any)
 - d. Cybersecurity - review of selected District cybersecurity controls protecting the confidentiality, integrity, and availability of District information and information technology (IT) resources. Please see the attached Cybersecurity Audit Plan for the security functions to be included in the audit scope.
 - e. Annual Report of IG Activities

2. 2027
 - a. Update Risk Assessment
 - b. Follow-up on Prior Internal Audit Findings (if any)
 - c. Follow-up on OPPAGA Water Management District Permitting Review Findings (if any are directed to the District).
 - d. 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.
 - e. Performance measures – District performance measurement and reporting pursuant to DEP’s performance measure reporting instructions.
 - f. Annual Report of IG Activities

3. 2028
 - a. Update Risk Assessment
 - b. Follow-up on Prior Internal Audit Findings (if any)
 - c. Cybersecurity - review of selected District cybersecurity controls protecting the confidentiality, integrity, and availability of District information and information technology (IT) resources. Please see the attached Cybersecurity Audit Plan for the security functions to be included in the audit scope.
 - 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:

1. Contract Management (last audited in 2016-17).
2. Permitting Fee Receipts and Cash Disbursements (selective sample including more travel disbursements) (last audited 2014-15)
3. Grant Management (last audited 2018-19)

ATTACHMENT A
CYBERSECURITY AUDIT PLAN
FOR THE FISCAL YEARS ENDING SEPTEMBER 30, 2026, THROUGH SEPTEMBER 30, 2028

Section 20.055(6)(i), Florida Statutes, provides that audit plans developed by inspector generals shall include a specific cybersecurity audit plan. This cybersecurity audit plan for the Suwannee River Water Management District is based on security functions as defined in the National Institute of Standards and Technology (NIST) *Framework for Improving Critical Infrastructure Cybersecurity* (Cybersecurity Framework). The security functions to be included in the scope of planned cybersecurity audits and the related definitions from the NIST Cybersecurity Framework are listed below.

1. 2026
 - a. Detect – activities to timely identify the occurrence of a cybersecurity event.
 - b. Respond – activities for acting upon a detected cybersecurity event.
 - c. Recover – activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to a cybersecurity incident.
2. 2027
 - a. Follow up on the status of District corrective action on previously reported audit observations and recommendations, if any are reported, from our 2026 Cybersecurity audit.
3. 2028
 - a. Update the Identify and Protect documentation for any major changes
 - b. Mobile device management and security NIST SP 800-124r2

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
2026 INTERNAL AUDIT PLAN**

Audit Area	Work Plan	Planned Start Date	Estimated Hours
Revenue and Receipts	<ul style="list-style-type: none"> - Review selected District internal controls for ensuring the accuracy and completeness of recorded revenues. - On a sample basis, test the District's reconciliation of payments collected to documentation of the related revenue-generating activity and to receipts posted to the general ledger. - <u>Note:</u> We have selected Timber Sales as the revenue-generating activity to be included in the scope of this audit. 	September 2025 Estimated Completion Date: November 30, 2025	35
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). 	January 2026	20
Cybersecurity	Review District cybersecurity controls in the following areas: <ul style="list-style-type: none"> - <u>Detect:</u> District activities to timely identify the occurrence of a cybersecurity event. - <u>Respond:</u> District activities for acting upon a detecting cybersecurity event. - <u>Recover:</u> District activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to a cybersecurity incident. 	May 2026	35
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 2025 – September 2026	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 2025 - September 2026	35
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 2026	26

Total Hours	166.00
Estimated Blended Hourly Rate	\$147.75
Subtotal	\$24,526.50
Travel (s. 112.061, F.S.)	\$973.50
Estimated Fee	\$25,500.00

Estimated Blended Hourly Rate

	<u>Hourly Rate</u>	<u>Percent Utilized</u>	<u>Extension</u>
Inspector General	\$220	12%	\$ 26.40
Partner-in-Charge	\$220	8%	17.60
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>