

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

**GoTo Webinar Link:** <https://attendee.gotowebinar.com/register/359867273716484112>

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

Open to Public

August 10, 2021  
Following Board Meeting

District Headquarters  
Live Oak, FL

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

**2. Public Comment**

**Discussion Item**

3. *Inspector General Audit Report #21-01, Purchasing Card Program*
4. *Inspector General Audit Report #21-02, Information Technology and Cybersecurity Controls*
5. *Inspector General Audit Report #21-03, Prior Internal Audit Findings*
6. *Annual Report of District Inspector General Activities for the Fiscal Year 2020-2021*
7. *Inspector General Three-Year Audit Plan for Fiscal Years 2022 to 2024 and Fiscal Year 2021-2022 Internal Audit Work Plan*
8. *Contract Renewal with Powell and Jones, CPA, for Audit Services for Fiscal Year 2021-2022*

**9. Announcements**

**10. Adjournment**

**Recommended Additions:**

*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, Division of Business and Community Services

DATE: July 20, 2021

RE: Inspector General Audit Report #21-01, Purchasing Card Program

**RECOMMENDATION**

Acceptance of the Inspector General Audit Report #21-01, Purchasing Card Program, from Law, Redd, Crona & Munroe, P.A.

**BACKGROUND**

The Inspector General conducted internal audit procedures to review the District's procedures and internal control processes related to the purchasing card program. The scope of this audit included testing of the cardholder information, purchasing cards, and related charges.

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 contains no findings.

PS/rl  
Attachment

**SUWANNEE RIVER WATER  
MANAGEMENT DISTRICT**

**REPORT ON INTERNAL AUDIT OF  
PURCHASING CARD PROGRAM**

**REPORT #21-01**

**May 26, 2021**

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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

We have performed internal audit procedures at the Suwannee River Water Management District (District) to review the District's purchasing card program.

We conducted this audit in accordance with the International Standards for the Professional Practice of Internal Auditing and generally accepted *Government Auditing Standards*. Those standards require that 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 selected District procedures and controls over the purchasing card program. The accompanying report presents our analysis and is organized as follows:

- Background
- Objectives, Scope, and Methodology
- Observations and Recommendations
- Conclusion

The procedures we performed were applied to the District's cardholders, purchasing cards, and related charges. These procedures were accomplished by:

- Obtaining and inspecting the District's documented policies and procedures;
- Discussions with District staff;
- Performing tests of the District's compliance with selected policies and procedures.

Our procedures were not designed to express an opinion on the overall internal control environment or the internal control and fraud risk associated with the District, and we do not express such an opinion. Additionally, because of inherent limitations associated with internal control systems, errors or fraud may occur and not be prevented or detected by internal controls. Also, projections of any evaluation of the controls to future periods are subject to the risk that procedures may become inadequate because of changed conditions.

This report is intended solely for the information and use of the Governing Board and District management 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  
May 26, 2021

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**PURCHASING CARD PROGRAM**  
**May 26, 2021**

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**BACKGROUND**

The Suwannee River Water Management District (the “District”) was established by the Florida Water Resources Act of 1972, Chapter 72-299, Laws of Florida and operates under Chapter 373, *Florida Statutes*. The District encompasses all or part of fifteen counties in the north-central part of Florida. The District Governing Board was composed of seven members and two vacant seats at the time of audit fieldwork. Each member resides within the District and is appointed by the Governor and confirmed by the Senate. Board members are appointed for a four-year term.

**Purchasing Card Program**

The District implemented its Purchasing Card (P-Card) Program in August 2013. Bank of America is the card service provider. The cards are used to pay for approved commodities and services directly from vendors, and cards are used for authorized purchases only. Personal purchases or non-District related business use of the cards is prohibited.

The Office of Finance is responsible for appointing the P-Card Administrator. Duties include: processing requests for new and replacement cards; instructing cardholders on policies and procedures; coordinating the issuance, cancellation, and termination of cards; maintaining cardholder files; reviewing and maintaining policies and procedures; assisting cardholder in resolving disputed charges; and handling final resolutions of disputes.

The P-Card Administrator requests a card from the bank after a P-Card Request Form is completed and approved. When the P-Card is received, the P-Card Administrator reviews the P-Card policies and procedures with the cardholder. The cardholder then acknowledges understanding the policies and procedures by signing a P-Card Holder Agreement. The single purchase limit may not exceed \$999.99 unless authorized in writing by the Executive Director or designee. The cardholder’s authorization criteria may be adjusted periodically, as needed and approved by District management.

In addition to appointing the P-Card Administrator, the Office of Finance is responsible for: collecting and verifying transaction supporting documentation from the cardholder, including proper authorization of charges; reconciling the consolidated statement; reviewing coding accuracy before uploading to the District’s accounting system (AccuFund); ensuring timely payment of the monthly consolidated statement; and preparing 1099 forms, as applicable.

Each month, the cardholder or designated administrative staff receive a digital P-Card statement, downloaded from Bank of America by the Office of Finance. The cardholder or designated administrative staff will review all transactions, noting any errors, discrepancies, or disputes; match receipts to transactions; enter the appropriate general

## ***Purchasing Card Program***

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ledger account code for each transaction within five business days of receiving the statement; after coding is complete, mark receipts as posted, date, and initial; scan receipts uploaded by the Office of Finance in AccuFund; attach original receipts to the P-Card statement, sign the statement, and deliver the documents to the Office of Finance. The Office of Finance reviews the Executive Director's P-Card transaction history and, on a monthly basis, the transactions are reviewed and approved by the Board Chair or designee.

District management is responsible for resolving any questioned charges with the cardholder and notifying the P-Card administrator of questioned charges. If a charge is deemed unnecessary or unofficial District use, the cardholder will return item(s) purchased and provide either a credit voucher or personal check made payable to the District. A written explanation of the violation will also be obtained from the cardholder.

### **OBJECTIVES, SCOPE, AND METHODOLOGY**

The overall objective of this audit was to evaluate selected District procedures and controls over the purchasing card program. The scope of this audit included the District's cardholders, purchasing cards, and related charges.

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

- 1) Interviewed District personnel and reviewed the internal control procedures over purchasing cards and travel, as set forth in the District's policies and procedures manual.
- 2) Selected a sample of transactions to test for compliance with the District's policies and procedures.
  - a. From a listing of all 490 P-Card transactions for the period 01/01/2020 – 02/28/2021, we randomly selected 5 transactions and judgmentally selected 25 transactions for testing. Transactions were judgmentally selected on the basis of the total transaction amount, the number of transactions made by the individual cardholder, and any transactions that appeared unusual or potentially personal in nature.
  - b. For each selected transaction, we examined the corresponding employee's completed, signed, and approved P-Card Request Form, and agreed the spending limit to the P-Card Holder List, provided by the District. Additionally, we noted whether the form was signed and completed by the cardholder and the Office/ Program Chief. Where applicable, we determined if approval of changes to card spending limits were supported by documentation of management approval.
  - c. For each selected transaction, we examined the corresponding employee's completed, signed, and approved P-Card Holder Agreement.

## *Purchasing Card Program*

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- d. We determined if the transaction tested exceeded \$999.99. If the transaction exceeded this amount, we determined if the purchase was authorized in writing by the Executive Director.
  - e. We determined whether the supporting documentation demonstrated that the transaction tested was not personal in nature.
  - f. If the transaction was related to travel, we reviewed the corresponding District Travel Authorization Request form to determine if travel was authorized before the charge was incurred and considered whether travel appeared appropriate and properly approved based on the District policies and procedures.
  - g. We compared the total charge, merchant, and charge date to the supporting documentation provided for the transaction.
  - h. We traced the transaction to the cardholder monthly statement and compared the credit limit per the monthly statement to the credit limit noted on the P-Card Holder List. We reviewed the monthly statement for evidence of proper review and signature by the cardholder and manager to certify that all supporting documentation was attached prior to delivery to the Finance Office.
  - i. We traced total charges per the cardholder monthly statement to the Bank of America Purchasing Card company statement and compared a check copy to the total charges for all cards per the company statement. We determined if the statement was paid in a timely manner and appeared properly reconciled to the supporting documentation.
  - j. We traced the coding on the supporting documentation to the General Ledger Code List provided by the District, and determined if the transaction tested appeared was appropriately coded to AccuFund.
  - k. We inspected a copy of the P-Card, noting if the cardholder's name, the District name, and the expiration date were embossed on the card. We compared the cardholder's name and the last four digits of the card number to the P-Card Holder list, the cardholder monthly statement, and the company statement.
  - l. We determined if total purchases for the month exceeded the cardholder's monthly spending limit noted on the P-Card Holder list by reviewing the total cardholder activity on the individual monthly statement.
- 3) One card was cancelled during the 01/01/2020 – 02/28/2021 period. We conducted the following testing procedures to ensure this card was appropriately cancelled.
- a. We reviewed the cardholder's Employment Termination Checklist and compared the employee's name and date of termination to the cardholder's name and P-Card cancellation date (01/03/2020) per the P-Card Holder list.
  - b. We determined if the termination checklist documented the collection of the P-Card from the terminated employee.
  - c. We reviewed company statements for the period 01/04/2020 – 03/04/2021 to ascertain whether charges were incurred for the cancelled card.

- d. We obtained a listing of all active P-Cards as of 04/27/2021 to determine if the cancelled card appeared on the listing.

**SUMMARY OF RESULTS**

Based on the results of the procedures performed, we did not identify any exceptions or errors, and the District's records demonstrated compliance with its policies and procedures related to the purchasing card program. Processes are well-documented and, based on our tests, were followed accordingly.

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 Richard Law, C.P.A., or Jon Ingram, C.P.A.

*Law Redd Crona + Munroe P.A.*

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

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

**MEMORANDUM**

TO: Audit Committee

FROM: Pam Shaw, Chief, Office of Finance

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

DATE: July 20, 2021

RE: Inspector General Audit Report #21-02, Information Technology and Cybersecurity Controls

**RECOMMENDATION**

Acceptance of the Inspector General Audit Report #21-02, Information Technology (IT) and Cybersecurity Controls from Law, Redd, Crona & Munroe, P.A.

**BACKGROUND**

The Inspector General conducted a review of the District IT and cybersecurity controls as set forth in the National Institute of Standards and Technology (NIST) *Framework for Improving Critical Infrastructure Cybersecurity*. The control objectives include:

- Identify: A sufficient understanding of the organization, including its business environment, resources, and related cybersecurity risks, has been developed to provide a foundation for managing risks.
- Protect: Appropriate safeguards have been implemented to limit or contain the impact of a potential cybersecurity event and ensure delivery of critical services.
- Detect: Appropriate activities have been implemented to timely identify the occurrence of a cybersecurity event.
- Respond: Appropriate activities have been implemented to contain or reduce the impact of a detected cybersecurity event.
- Recover: Appropriate activities and plans have been put in place to help the entity resume normal operations in a timely manner after a cybersecurity event.

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. This report is intended solely for the information and use by the Governing Board and District management and is not intended to be used by anyone other than these specified parties. The content of this report is confidential and exempt from public disclosure pursuant to Section 281.301, *Florida Statutes*.

PS/rl

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

**MEMORANDUM**

TO: Audit Committee

FROM: Pam Shaw, Chief, Office of Finance

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

DATE: July 20, 2021

RE: Inspector General Audit Report #21-03, Prior Internal Audit Findings

**RECOMMENDATION**

Acceptance of the Inspector General Audit Report #21-03, Prior Internal Audit Findings, from Law, Redd, Crona & Munroe, P.A.

**BACKGROUND**

The Inspector General conducted follow-up activities related to IG Report #19-01 dated January 15, 2019. One finding related to IT Controls carried forward from this report. The follow-up activities focus on District actions taken to address prior year finding #3.

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 the finding as partially corrected. To avoid the possibility of compromising security details of the issue are not disclosed in this report. However, the specific details have been communicated to District management.

PS/rl  
Attachment

**SUWANNEE RIVER  
WATER MANAGEMENT DISTRICT**

**FOLLOW-UP REPORT ON DISTRICT CORRECTIVE ACTIONS  
REGARDING PRIOR INTERNAL AUDIT FINDINGS**

**REPORT #21-03**

**July 27, 2021**

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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)(c)4., Florida Statutes, and the District's internal audit activity charter, as the District's Inspector General we are reporting on the status of the Suwannee River Water Management District corrective actions taken on unresolved prior internal audit findings and recommendations disclosed in our internal audit reports dated before October 1, 2020.

If you have any questions regarding this report, please contact Richard Law, C.P.A. or Jon Ingram, C.P.A.

Sincerely,

**LAW, REDD, CRONA & MUNROE, P.A.**  
Tallahassee, Florida  
July 27, 2021

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**FOLLOW-UP ON PRIOR INTERNAL AUDIT FINDINGS**  
**July 27, 2021**

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**BACKGROUND**

Pursuant to Section 20.055(8)(c)4., Florida Statutes, and the internal audit activity charter, the District's Inspector General is required to follow-up and report on the status of management's corrective actions taken on findings and recommendations disclosed in previous internal audit reports.

In our internal audit report #20-01, dated January 31, 2020, we reported that the District was still in the process of correcting two information technology (IT) findings carried forward from an internal audit report issued prior to October 1, 2019. During the period of October 1, 2019, through September 30, 2020, there were no new internal audit findings or recommendations. Accordingly, only the matters carried forward from report #20-01 needed follow-up for this audit report.

**OBJECTIVES, SCOPE, AND METHODOLOGY**

The objective of this follow-up engagement was to determine the status of corrective actions taken by the District to address the remaining findings and recommendations carried forward from report #20-01, dated January 31, 2020. The remaining prior findings are listed in a table presented in the Observations and Recommendations section of this report.

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

- 1) Examined internal audit report #20-01 and supporting working papers. Reviewed the details of the prior findings and previous District management responses thereto.
- 2) Made inquiries of and obtained representations from District management regarding the current status of corrective actions taken to address the prior internal audit findings and recommendations.
- 3) Examined District records and documentation relating to management's corrective actions.

*Follow-up on Prior Internal Audit Findings and Recommendations*

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**OBSERVATIONS AND RECOMMENDATIONS**

Our audit disclosed that the District continues to make progress in addressing the remaining open prior findings and recommendations. For a list of the matters included in our scope and results of our follow-up on each item, please see the following table.

Prior Internal Audit Findings Corrective Action Status			
Original Report	Last Follow-up Report	Finding	Status as of July 2021
#14-01 IT Controls	#20-01	Protecting Administrator Accounts	In Progress
		IT Risk Assessment	Corrected

As shown above, one prior finding is still in the process of being corrected by the District. We are not disclosing specific details of the issue in this report to avoid the possibility of compromising security over District data and IT resources. However, we have communicated the specific details to District management.

**Recommendation:**

District management should continue working toward addressing the IT control issue as resources permit.

**Management’s Response:**

*District staff will continue working toward addressing the IT control issue with completion expected by end of the calendar year.*

**CONCLUSION**

As discussed above, District management has continued to make progress in addressing previously reported internal audit findings. We recommend that management review the remaining unresolved issue referencing in this report, determine the cost benefit of the recommendation, and take appropriate action.

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 Richard Law, C.P.A., or Jon Ingram, C.P.A.



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

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

**MEMORANDUM**

TO: Audit Committee

FROM: Pam Shaw, Chief, Office of Finance

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

DATE: July 29, 2021

RE: Annual Report of District Inspector General Activities for the Fiscal Year 2020-2021

**RECOMMENDATION**

Acceptance of the Annual Report of the District Inspector General Activities for the Fiscal Year 2020–2021 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, 2021, dated July 28, 2021. The report is a summary of activities completed by the Inspector General including three audit reports:

- Report No. 21-01, Purchasing Card Program
- Report No. 21-02, Information Technology (IT) and Cybersecurity Controls
- Report No. 21-03, Follow-up Report 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, 2021**

**July 28, 2021**

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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, 2021. 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 28, 2021

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
ANNUAL REPORT OF DISTRICT INSPECTOR GENERAL ACTIVITIES  
July 28, 2021**

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**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.

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  
July 28, 2021**

**ASSIGNED STAFF**

During the fiscal year ending September 30, 2021, the following LRCM personnel worked on District Inspector General activities:

Name	Position	Certifications
Francis Marvin Doyal	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
Kathy Kohlman	Senior 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, 2023, and a detailed internal audit plan for the fiscal year ending September 30, 2021. The audit plans were approved by the Governing Board on September 8, 2020.
- Performed three internal audits, as described in the following section.

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

**INTERNAL AUDITS PERFORMED IN 2020-21**

**Report No. 20-01, Internal Audit of the District’s Purchasing Card Program**

This audit focused on selected District procedures and controls over the purchasing card program. Based on the results of our audit procedures, we did not identify any exceptions or errors, and the District’s records demonstrated compliance with its policies and procedures related to the purchasing card program.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT**  
**ANNUAL REPORT OF DISTRICT INSPECTOR GENERAL ACTIVITIES**  
**July 28, 2021**

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**Report No. 20-02, Internal Audit of the District's Information Technology and Cybersecurity Controls**

This audit focused on the District's information technology (IT) and cybersecurity controls, which we evaluated based on selected security best practices set forth in guidelines from the National Institute of Standards and Technology and the Center for Internet Security. Our audit disclosed opportunities for improving District cybersecurity controls in the areas of network security, IT application inventory, and monitoring external IT service providers.

**Report No. 20-03, 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. Our report noted that the District continues to make progress in addressing the findings and recommendations disclosed in our internal audit reports issued prior to October 1, 2020. All but one of the prior internal audit findings have been resolved. Corrective action is still in progress with regard to information technology (IT) controls for protecting administrator login accounts.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

**MEMORANDUM**

TO: Audit Committee

FROM: Pam Shaw, Chief, Office of Finance

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

DATE: July 20, 2021

RE: Inspector General Three-Year Audit Plan for Fiscal Years 2022 to 2024 and Fiscal Year 2021-2022 Internal Audit Work Plan

**RECOMMENDATION**

Acceptance of the Inspector General's Three-Year Audit Plan for Fiscal Years 2022 to 2024 and the Fiscal Year 2021-2022 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 2022 to 2024 (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 2021-2022 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, 2022 through September 30, 2024**

1. 2022
  - a. Update Risk Assessment
  - b. Follow-up on Prior Internal Audit Findings (if any)
  - c. Payroll/HR Procedures
  - d. Annual Report of IG Activities
  
2. 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. Land Acquisition, Land Surplus, and Conservation Easements
  - e. Annual Report of IG Activities
  
3. 2024
  - a. Update Risk Assessment
  - b. Follow-up on Prior Internal Audit Findings (if any)
  - c. Internal Audit – topic to be selected by Audit Committee
  - 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 audit topics for the Audit Committee's consideration is included below. The topics were identified based on our risk assessment activities, including discussions with District management.

Employee Teleworking and Remote Working  
Competitive Selection Procurement Process  
Business Continuity and Emergency Response Planning

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT  
2022 INTERNAL AUDIT WORK PLAN**

Audit Area	Tentative Work Plan	Planned Start Date	Estimated Hours
<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>	July/August 2021	20
<b>Payroll/HR Procedures</b>	<ul style="list-style-type: none"> <li>- Review District payroll and related human resources (HR) policies and procedures.</li> <li>- Test a sample of employees to verify authorization of rate of pay.</li> <li>- Test a sample of new hire personnel files to determine accuracy and adequacy of documentation maintained by the HR and Payroll departments.</li> <li>- Test a sample of terminated employees to determine whether the cutoff of the last payroll check was appropriate and that the accrued terminal leave payment was accurately calculated.</li> <li>- Review internal controls over the transmittal of payroll direct deposit authorizations to the bank.</li> </ul>	February 2022	70
<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 report No. 17-01, Information Technology Controls that were unresolved as of our 2019 follow-up review.</li> </ul>	May 2022	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 2021 – September 2022	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 2021 - September 2022	40

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, Division of Business and Community Services

DATE: July 20, 2021

RE: Contract Renewal with Powell and Jones, CPA, for Audit Services for Fiscal Year 2021-2022

**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 2021-2022.

**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 and FY 2021 for \$28,000 each year. This renewal represents year three of the subsequent renewals.

Powell and Jones, CPAs, has performed the annual financial audits since FY 2013. In addition to providing financial audit services, they submit 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, 2021, and continuing through September 30, 2022.

Funding for this work is contingent upon approval of the FY 2021-2022 under account code 01-2585-6-6103-01.

PJS/tm  
Contract #16/17-082