

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

OFFICE OF
INSPECTOR
GENERAL

Competitive Procurement Follow-Up Audit

March 1, 2019 to September 30, 2019

Southwest Florida
Water Management District



Governing Board
December 10, 2019

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Executive Director

December 10, 2019

Mr. Mark Taylor, Chair
Southwest Florida Water Management District
2379 Broad Street
Brooksville, Florida 34604-6899

Dear Mr. Taylor:

In accordance with F.S. 20.055 and the Office of Inspector General (OIG) Charter Governing Board Policy, the Inspector General (IG) shall monitor the implementation of the District's response to any audit issued by the Auditor General (AG).

On July 9, 2018, the AG released report No. 2019-001 on the operational audit of the Southwest Florida Water Management District (District). Included in this report was a finding regarding competitive procurement. The AG recommended the District should continue efforts to ensure that District records contain the manual signatures of who opened bids and the date and time the bids were opened.

In accordance with the Audit Plan, approved by the Governing Board, a follow-up audit on competitive procurement was performed and it was found the District has taken corrective actions as recommended by the AG. The OIG would like to thank the Management Services Division Director and his staff for their cooperation and assistance throughout the audit. I respectfully submit to you, the final audit report which was conducted in accordance with generally accepted government auditing standards.

Sincerely,

Brian Werthmiller, CPA, CIG
Inspector General

- cc: Finance/Outreach and Planning Committee
- Remaining Members of the Governing Board
- Mr. Brian Armstrong, Executive Director
- Ms. Mandi Rice, Assistant Executive Director
- Mr. John Campbell, Management Services Division Director
- Ms. Sherril Norman, State of Florida Auditor General
- Mr. James Halleran, James Moore & Company CPA's Legislative Auditing Committee

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT COMPETITIVE PROCUREMENT FOLLOW-UP AUDIT

SUMMARY

This is a follow-up audit to the competitive procurement finding from the AG Report No. 2019-001 released July 2018 for the District. The AG recommended the District should continue efforts to ensure that District records contain the manual signatures of who opened bids and the date and time the bids were opened. The OIG follow-up audit disclosed that District management has taken correction actions as recommended by the AG.

BACKGROUND

Authorized in 1972, the District protects and manages water resources in a sustainable manner for the continued welfare of the citizens across the 16 counties it serves. The District is one of five water management districts created under the Florida Water Resources Act of 1972¹ and includes all or part of Charlotte, Citrus, Desoto, Hardee, Hernando, Highlands, Hillsborough, Lake, Levy, Manatee, Marion, Pasco, Pinellas, Polk, Sarasota, and Sumter Counties. Governance lies with a thirteen-member Board which consists of nine representatives from specific geographic areas within District boundaries and four members who serve at-large. Each member is appointed by the Governor and confirmed by the Senate. An Executive Director is appointed by the Board, subject to approval by the Governor and confirmation by the Senate.

Board policies² requires a formal competitive solicitation for general procurement transactions greater than \$100,000. The District uses various solicitation forms to document the date and time of the solicitation opening which can be found on the Solicitation Response Opening Sign-In Sheet or the Register for Incoming (Received) Solicitation Responses. The Solicitation Tabulation Form (Recap Report) will contain the manual signatures of District staff that read and recorded the responses to the solicitation. During the audit period of March 1, 2019 to September 30, 2019, the District had nine formal competitive solicitations as shown in Table 1.

¹ Chapter 373, Florida Statutes.

² Governing Board Policy, Procurement

Table 1
March 1, 2019 to September 30, 2019 Solicitations

Type	Count
Invitation to Negotiate	1
Request for Bids	4
Requests for Proposals	4
Totals	<u>9</u>

FINDINGS AND RECOMMENDATIONS

This report contains no findings or recommendations.

PRIOR AUDIT FOLLOW-UP

Based upon the objectives, scope, and methodology as documented below, the District has taken corrective actions for the competitive procurement finding as recommended by the AG in Report No. 2019-001.

OBJECTIVES, SCOPE, AND METHODOLOGY

The OIG conducted this follow-up audit for the period of March 1, 2019 to September 30, 2019 in accordance with generally accepted government auditing standards (GAGAS). Those standards require that the OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. The OIG believes that the evidence obtained provides a reasonable basis for findings and conclusions based on the audit objectives. In addition, the IG is independent per the GAGAS requirements for internal auditors.

The objectives of this operational audit were to:

- Evaluate management's performance in establishing and maintaining internal controls in accordance with applicable statutes, laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, the safeguarding of assets, and identify weaknesses in those controls.
- Determine whether management had taken corrective action for, or was in the process of correcting, the AG's competitive procurement finding from report No. 2019-001. Specifically, determine whether the documents from the solicitation

response opening process documented the manual signatures of the District employees who opened the solicitations and the date and times the solicitations were opened.

An audit by its nature does not include a review of all records and actions of entity management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

In conducting the audit for the period of March 1, 2019 to September 30, 2019, the OIG:

- Reviewed applicable statutes, policies, procedures and interviewed District staff to gain an understanding of the District's operations and internal controls over the formal competitive solicitation process.
- Gained an understanding of the information systems used to document the formal competitive solicitation process.
- Evaluated the effectiveness of District policies and procedures relating to the formal competitive solicitation process, to determine whether internal controls were designed properly and operating effectively.
- From the population of nine solicitations for the period March 1, 2019 to September 30, 2019, examined District records for the nine solicitations to determine whether the manual signatures of those who opened the bids and the date and time of the bids were opened were documented.
- Communicated on an interim basis with applicable officials.
- Performed various other auditing procedures as necessary to accomplish the objectives of the audit.

Brian Werthmiller, CPA, CIG
Inspector General

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