



An Equal Opportunity Employer

Southwest Florida Water Management District

2379 Broad Street, Brooksville, Florida 34604-6899
(352) 796-7211 or 1-800-423-1476 (FL only)
WaterMatters.org

Bartow Office
170 Century Boulevard
Bartow, Florida 33830-7700
(863) 534-1448 or
1-800-492-7862 (FL only)

Sarasota Office
6750 Fruitville Road
Sarasota, Florida 34240-9711
(941) 377-3722 or
1-800-320-3503 (FL only)

Tampa Office
7601 U.S. 301 North (Fort King Highway)
Tampa, Florida 33637-6759
(813) 985-7481 or
1-800-836-0797 (FL only)

Jeffrey M. Adams
Chair, Pinellas

Ed Armstrong
Vice Chair, Pinellas

Bryan K. Beswick
Secretary, DeSoto, Hardee,
Highlands

Michelle Williamson
Treasurer, Hillsborough

H. Paul Senft, Jr.
Former Chair, Polk

Randall S. Maggard
Former Chair, Pasco

John Henslick
Manatee

James G. Murphy
Polk

Kelly S. Rice
Citrus, Lake, Levy, Sumter

Joel Schleicher
Charlotte, Sarasota

Rebecca Smith
Hillsborough, Pinellas

Mark Taylor
Hernando, Marion

Scott Wiggins
Hillsborough

Brian J. Armstrong, P.G.
Executive Director

December 11, 2018

Mr. Jeffrey M. Adams, Chair
Southwest Florida Water Management District
2379 Broad Street
Brooksville, Florida 34604-6899

Dear Mr. Adams:

The Auditor General's report number 2019-001 released July 9, 2018 included five findings from which the District provided a detailed written response to these findings on June 26, 2018. The purpose of this letter is to provide a written response on the status of corrective actions.

Finding 1: Inspector General

Audit General Recommendation:

The District should ensure that the inspector general (IG) performs required duties and that District records document the performance of these duties. Specifically, to ensure IG compliance with:

- State law and Board policies, the IG should prepare and maintain records to demonstrate the effective utilization of the IG role. Such records should evidence an appropriate balance is maintained between audit and other accountability activities.
- *Generally accepted government auditing standards*, the IG should receive an external peer review at least once every three years.
- State law, Board policies should be revised to require and ensure the IG develops long-term audit plans based on the results of appropriate risk assessments.
- State law and Board policies, the IG should advise, of record, the Board in the development of performance measures, standards, and procedures for the evaluation of District programs. In addition, the IG should calculate and report to the Board, at least semi-annually, District performance related to the performance measures defined by the Finance and Administration Committee and approved by the Board.

Six-Month Follow-Up:

In the process of being corrected.

Finding 2: Competitive Procurement

Audit General Recommendation:

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.

Six-Month Follow-Up:

In the process of being corrected.

Finding 3: Vehicle Usage

Audit General Recommendation:

The District should document the periodic monitoring and evaluation of the use and need for District motor vehicles and a determination of whether it is more cost efficient to retain and maintain the existing number of motor vehicles or reduce the size of the fleet based on District needs.

Six-Month Follow-Up:

In the process of being corrected.

Finding 4: Self-Insurance Programs

Audit General Recommendation:

The District should enhance procedures to effectively monitor health and workers' compensation self-insurance claims payments. Such procedures could specify that:

- To provide assurance as to the effectiveness of claims processing controls, the District's contract with the third-party administrator (TPA) require the TPA to annually obtain a SOC 1® Type 2 report on the TPA's controls and timely submit the report to the District for review.
- If the service auditor's report discloses that the TPA's controls over claims processing are not suitably designed and operating effectively, the District should determine the risks associated with the control deficiency and either require the TPA to implement appropriate controls or find a new service provider to suitably administer the District's health and workers' compensation self-insurance programs.

Six-Month Follow-Up:

In the process of being corrected.

Finding 5: Information Technology – Access Privileges

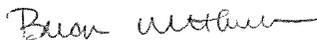
Audit General Recommendation:

The District should ensure that assigned access privileges restrict employees to only those functions necessary for their assigned job responsibilities and enforce an appropriate separation of incompatible duties. To help monitor assigned access privileges, the District should establish procedures to periodically review the appropriateness of such privileges to ensure that employees do not access IT resources and functions that are incompatible with their assigned job responsibilities. In addition, if an employee only requires occasional access to perform back-up duties, the access should be granted only for the time needed.

Six-Month Follow-Up:

In the process of being corrected.

Sincerely,



Brian Werthmiller, CPA
Inspector General

cc: Sherrill Norman, Auditor General
Legislative Auditing Committee
Brian Armstrong, Executive Director