

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

OFFICE OF
INSPECTOR
GENERAL

Vehicle Use Follow-Up Audit

Quarter Ending June 30, 2019

Southwest Florida
Water Management District



Governing Board
September 24, 2019

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Executive Director

September 24, 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 vehicle use. The AG recommended 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.

In accordance with the Audit Plan, approved by the Governing Board, a follow-up audit on vehicle use 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

Brian Werthmiller, CPA, CIG
Inspector General

- cc: Ms. Michelle Williamson, Governing Board Member
- Mr. Joel Schleicher, Governing Board Member
- Mr. Kelly Rice, Governing Board Member
- Mr. Paul Senft, Jr., Governing Board Member
- Mr. James Murphy, Governing Board Member
- Dr. Rebecca Smith, Governing Board Member
- 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 VEHICLE USE FOLLOW-UP AUDIT

SUMMARY

This is a follow-up audit to the vehicle use finding from the AG Report No. 2019-001 released July 2018 for the District. The OIG did not have any findings or recommendations relating to the scope of this audit. OIG's 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, Pinellas, Manatee, Marion, Pasco, 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.

This follow-up audit of the District focused on vehicle use. The District had the following number of motorized vehicles by type as of:

**Table 1
Motorized Vehicles As Of:**

Type	1/31/17	9/30/17	9/30/18	6/30/19
Automobiles ²	174	173	169	164
ATV's/UTV's	27	29	27	29
Boats	22	21	21	20
Totals	<u>223</u>	<u>223</u>	<u>217</u>	<u>213</u>

FINDINGS AND RECOMMENDATIONS

This report contains no findings or recommendations.

¹ Chapter 373, Florida Statutes.

² Totals do not include automobiles identified as surplus but not yet sold.

PRIOR AUDIT FOLLOW-UP

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

OBJECTIVES, SCOPE, AND METHODOLOGY

The OIG conducted this follow-up audit for the quarter ending June 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 vehicle use finding from report No. 2019-001.

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 April 2019 to June 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 vehicle use.

- Gained an understanding of the information systems used to capture vehicle use data.
- Evaluated the effectiveness of District policies and procedures relating to vehicle use, to determine whether internal controls were designed properly and operating effectively.
- Examined District procedures and records for establishing usage thresholds for automobiles on June 30, 2019. To determine the reasonableness of the usage thresholds established by the District, the OIG judgmentally selected for testing items relating to the average: purchase price; sales price of disposed automobiles; number of miles disposed automobiles were driven; cost of insurance, maintenance, and fuel; miles per gallon; and number of riders per automobile.
- Examined District records documenting the periodic monitoring of motor vehicles for the quarter ending June 30, 2019 to determine whether policies and procedures were followed.
- From the population of 222 motor vehicles that were active at any time during the quarter ending June 30, 2019, examined District records for the use of 15 selected motor vehicles to determine whether use was properly supported.
- Communicated on an interim basis with applicable officials.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.

**Brian Werthmiller, CPA, CIG
Inspector General**

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