

**STATE OF FLORIDA AUDITOR GENERAL**

**Operational Audit**

Report No. 2020-106  
January 2020

**SUWANNEE RIVER  
WATER MANAGEMENT DISTRICT**



Sherrill F. Norman, CPA  
Auditor General

## **Board Members and Executive Director**

During the period October 2017 through March 2019, Hugh Thomas served as Executive Director and the following individuals served as Suwannee River Water Management District Board Members:

Virginia H. Johns, Chair from March 13, 2018,  
Secretary/Treasurer through March 12, 2018

Donald J. Quincey Jr., Chair through March 12, 2018

Alphonas Alexander, Vice Chair

Richard Schwab, Secretary/Treasurer from March 13, 2018<sup>a</sup>

Kevin W. Brown<sup>a</sup>

Gary F. Jones

Charles Keith

Virginia Sanchez

Bradley Williams<sup>a</sup>

<sup>a</sup> Board member continued to serve beyond the end of term, March 1, 2019, in accordance with Section 373.073(1)(a), Florida Statutes.

The audit was supervised by Glenda K. Hart, CPA.

Please address inquiries regarding this report to Michael J. Gomez, CPA, Audit Manager, by e-mail at [mikegomez@aud.state.fl.us](mailto:mikegomez@aud.state.fl.us) or by telephone at (850) 412-2881.

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# SUWANNEE RIVER WATER MANAGEMENT DISTRICT

## SUMMARY

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This operational audit of the Suwannee River Water Management District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2017-215. Our operational audit disclosed the following:

**Finding 1:** State law prohibits a Board member from having a contractual relationship with any business entity that does business with the District. However, two Board members received District awards totaling \$10,450 without documented legal determinations of the authority for these awards.

**Finding 2:** District records did not always demonstrate compliance with Board policies and procedures governing receipt and use of agricultural cost-share funds.

**Finding 3:** The District had not established a comprehensive disaster recovery plan.

## BACKGROUND

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Established in 1972, the Suwannee River Water Management District (District) protects and manages water resources in a sustainable manner for the continued welfare of the citizens across the 15 counties it serves. The District is one of five water management districts created under the Florida Water Resources Act of 1972<sup>1</sup> and includes all or part of Alachua, Baker, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Jefferson, Lafayette, Levy, Madison, Putnam, Suwannee, Taylor, and Union Counties. Governance lies with the nine-member Board which consists of one representative from each of the District's five hydrologic basins 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.

## FINDINGS AND RECOMMENDATIONS

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### Finding 1: Conflicts of Interest

The Legislature has found that public interest requires the law to protect against any conflict of interest and establish standards for the conduct of elected officials in situations where conflicts may exist.<sup>2</sup> Consistent with public interest, State law<sup>3</sup> prohibits a public officer from holding an employment or contractual relationship with any business entity doing business with the agency of which he or she is an officer.

Our examination of District records and discussions with District personnel disclosed that Board-adopted policies prohibit conflicts of interest and the District had certain procedures to reduce the risk of

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<sup>1</sup> Chapter 373, Florida Statutes.

<sup>2</sup> Section 112.311(1), Florida Statutes.

<sup>3</sup> Section 112.313(7), Florida Statutes.

contractual relationships that cause conflicts of interest. For example, District personnel indicated that the Procurement Specialist monitors the vendor selection and contracting process, and procurements and contracts are subject to varying levels of supervisory review and approval. Additionally, Board members are required to self-monitor and publicly disclose any conflict coming before the Board by filing a conflict of interest form and abstaining from voting pursuant to State law.<sup>4</sup> However, Board policies did not require documented legal determinations to help evaluate whether potential conflicts of interest would be contrary to State law.

Our audit procedures included scanning cost-share project expenditures during the period October 2017 through March 2019 for potential conflicts of interest. We found that two Board members received cost-share project contract awards totaling \$10,450. Although we requested, District records were not provided to evidence the legal authority for these awards. In response to our inquiry, District personnel indicated that the Board members did not vote on or approve these awards and conflict of interest forms were filed for all items presented to the Board for approval. Notwithstanding, since State law prohibits a Board member from having a contractual relationship with any business entity that does business with the District, these transactions appear to be prohibited under State law. Absent Board-adopted policies that require documented legal determinations to help evaluate potential conflicts of interest, there is an increased risk that conflicts may occur contrary to State law.

**Recommendation: Board policies should be revised to require documented legal determinations to help evaluate whether potential conflicts of interest are contrary to State law. In addition, the District should seek guidance from the Commission on Ethics regarding the identified potential conflicts of interest and, based on the guidance obtained, determine whether the District should discontinue cost-share project contract awards to Board members.**

## **Finding 2: Agricultural Cost-share Program**

State law<sup>5</sup> authorizes the District to participate and cooperate with landowners in water management projects of mutual benefit provided that such projects are consistent with the District's statutory authority and will ensure proper development, utilization, and conservation of the water resources and ecology within the jurisdictional boundaries of the District.

In September 2012, the District Governing Board (Board) established the Agricultural Cost-share Program (Program), which was developed to assist agricultural producers with projects that minimize nutrient loads and maximize water conservation by establishing best management practices. As approved by the Florida Department of Environmental Protection, the District committed reserve funds of \$1.5 million in the initial year of the Program and had committed a total of approximately \$4 million as of September 2018.

Our examination of District records and discussions with District personnel disclosed that the Board adopted policies and procedures<sup>6</sup> for the Program that provided guidelines and eligibility requirements. The policies and procedures require the District to solicit applicants from agricultural producers to

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<sup>4</sup> Section 112.3143, Florida Statutes.

<sup>5</sup> Section 373.4591, Florida Statutes.

<sup>6</sup> *District Governing Board Directive GBD12-005.*

complete project applications that include information such as project name, address, watershed/basin to benefit from the project, and best management practices or technologies to be implemented. The District project manager evaluates applicants for eligibility, including potential conflicts of interest, and applications for the effectiveness of the project to protect, conserve, restore, or augment the areas of water resource and ecology, use best management practices, and be cost beneficial.

If the District project manager determines an applicant is eligible and the application is complete, the Board-adopted policies and procedures require the application to be forwarded to the Agriculture Team (AG Team) for further review. The AG Team is responsible for prioritizing all project proposals and, based on prioritization and available funding, approved projects are recommended to the Board for contracting through a contract agreement with the project applicant. According to District personnel, since available funding historically exceeds Program participation, all eligible applicants are approved. Contract agreements include such items as the specific commitments and obligations of each party, financial and other considerations to be exchanged, the project’s completion term, and performance measures. The cost-share project amounts awarded are based on Board directive, with a maximum cost-share per producer of \$300,000 over 5 years.

The District project manager is required to monitor the progress of each cost-share project and ensure required supporting documentation is obtained from the producers before expenditure reimbursements are made. According to the District project manager, District personnel or FDACS technicians perform occasional onsite monitoring and visual verification of equipment installations before reimbursements are issued.

During the period October 2017 through March 2019, the District recorded Program expenditures totaling \$1,034,431 for 69 Board-approved cost-share projects. As part of our audit procedures, we examined District records supporting selected expenditures totaling \$315,195 for 4 cost-share projects.

**Table 1**  
**Selected Cost-Share Projects and**  
**Selected Expenditures**  
**For the Period October 2017 through March 2019**

	Expenditures
Project 1	\$181,000
Project 2	99,911
Project 3	24,000
Project 4	10,284
<b>Total</b>	<b><u>\$315,195</u></b>

Source: District records.

Our examination of District records supporting the project expenditures listed in Table 1 disclosed control deficiencies and noncompliance with Board policies and procedures. For example:

- The project manager indicated that he reviewed and approved applications for the 4 projects without approval by an AG Team, contrary to Board-adopted policies and procedures. In addition, although Board-approved policies and procedures require use of an AG Team, the AG Team is not defined or used in practice. Defining who should participate on the AG Team and how the

team should function could help the District comply with Board policies and procedures, reduce the appearance and opportunity for favoritism, and inspire public confidence that cost-share projects are awarded equitably and economically.

- Although we requested, the approved application for Project 4 was not provided. In addition, we found that the application for Project 1 excluded the project address and watershed/basin to benefit from the project. Without properly completed project applications, District records did not demonstrate that the projects comply with the eligibility guidelines for Program funding.
- Eligible project applicants are required to have an active water use permit, volunteer for the District's Water Use Monitoring Program, and enroll in the Florida Department of Agriculture and Consumer Services (FDACS) Best Management Practices (BMP) Program.<sup>7</sup> In response to our inquiry, District personnel indicated that they verified that the applicants met the eligibility requirements but did not document the verification. Subsequent to our inquiry, District records were provided in December 2019 to demonstrate that the cost-share project recipients for the 4 projects had an active water use permit, volunteered for the District's Water Use Monitoring Program, and enrolled in the FDACS BMP Program.
- Although District personnel indicated onsite monitoring and visual verifications of equipment installations are performed before reimbursements are issued, District records were not maintained to support the onsite monitoring and verifications for Projects 3 and 4. Without documented project monitoring and verifications, there is limited assurance that Program funds were expended on the cost-share projects designated in the contract agreements.

Additionally, we noted that:

- According to District personnel, applicants who are already funded directly by FDACS programs are typically not allowed to participate in the District Program for the same project. District personnel also indicated that they meet monthly with FDACS partners to discuss the programs and avoid duplicate awards. However, documented review procedures do not exist to ensure that applicants are not given awards under both programs for the same project. Absent documented review procedures, there is an increased risk that applicants may receive duplicate cost-share project reimbursements.
- The Program was developed, according to Board directives, to increase irrigation efficiency and water conservation and assist with nutrient management technology through the implementation of best management practices. Although the District can estimate benefits such as water savings and reduced nutrient loading received from implementation of the Program, as of June 2019, the District had not established long-term monitoring procedures to document the benefits received. Without such monitoring and documented benefits, District records do not demonstrate that Program objectives are met and District benefits are realized.
- The project manager indicated that he considers conflicts of interest while reviewing applications, but did not maintain records to demonstrate that the reviews are performed. State law<sup>8</sup> prohibits a public officer from holding a contractual relationship with any business entity doing business with an agency of which he or she is an officer. Absent a documented review to identify potential conflicts of interest, there is an increased risk that cost-share project contract awards are awarded to public officers contrary to State law. As discussed in Finding 1, potential conflicts of interest relating to cost-share projects were noted.

In response to our inquiries, District personnel indicated that due to personnel turnover, Program administration and monitoring procedures were not always documented as required.

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<sup>7</sup> The FDACS BMP Program requires agricultural producers who enroll in the Program to reduce their impact on water quality and the environment by following best management practice rules and be subject to FDACS monitoring.

<sup>8</sup> Section 112.313(7), Florida Statutes.

**Recommendation: The District should:**

- **Define who should participate on the AG Team and how the team should function to ensure compliance with Board policies by prioritizing Program project proposals and recommending projects to the Board for Program funding.**
- **Maintain copies of properly completed Program project applications evidencing how applicants met the Program eligibility requirements.**
- **Conduct, and maintain records of, onsite monitoring and visual verifications of equipment installations for Program projects before reimbursements are made.**
- **Document District review procedures to ensure that Program project recipients do not receive cost-share project funding from both the District and FDACS for the same projects.**
- **Establish documented monitoring procedures to ensure that the Program objectives are met and District benefits are realized.**
- **Require and ensure the project manager documents consideration of potential conflicts of interest while reviewing Program project applications.**

**Finding 3: Information Technology Disaster Recovery Plan**

An important element of an effective internal control system over information technology (IT) operations is a disaster recovery plan to help minimize data and asset loss in the event of a major hardware or software failure. A disaster recovery plan should identify key recovery personnel and critical applications, provide for backups of critical data sets, and provide a step-by-step plan for recovery. In addition, plan elements should be tested at least annually to disclose any areas not addressed and to facilitate proper conduct in an actual disruption of IT operations.

According to District personnel, the District periodically backs up District data and had developed a Continuity of Operations Plan (COOP) that discussed overall IT responsibilities in the event of a disaster. However, the District had not established a comprehensive IT disaster recovery plan detailing the specific procedures to be followed. For example, the COOP did not:

- Identify and prioritize the District's critical data, processes, and applications. The District should identify such data, processes, and applications for restoration in priority order given the timing of the disaster and the estimated prolonged outage. For example, District management may identify critical applications such as finance, human resources, and other necessary applications for priority restoration.
- Provide detailed backup procedures or schedules of critical data. Detailed instructions should include identification of critical data sets to be backed up, frequency of backups, storage location, and how data will be accessed during a disaster.
- Detail specific procedures to be followed when IT operations are inoperable or other events interrupt District operations and affect the recovery and restoration of finance, human resources, and other critical applications. Procedures may include, but are not limited to, detailed instructions for connection to a District recovery site should IT operations become inoperable; and identification of any critical infrastructure components, software, or supplies necessary for a recovery and the applicable vendor contacts.

In response to our inquiry, District personnel indicated that the District had not contracted with an alternate site to test the District's ability to access and run critical applications and processes in the event

of a disaster. Additionally, Inspector General reports in 2014 through 2019 reported to District management the need for a detailed IT disaster recovery plan. The absence of a comprehensive IT disaster recovery plan and the lack of annual testing of the plan may hinder District efforts to minimize the impact of, and timely recover from, a disaster or a disruption of operations.

**Recommendation: The District should establish a comprehensive IT disaster recovery plan that includes the necessary critical elements and details and ensure that the plan is tested at least annually.**

## ***PRIOR AUDIT FOLLOW-UP***

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The District had taken corrective actions for the applicable findings included in our report No. 2017-215.

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

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The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations. State law<sup>9</sup> requires us to conduct at least every 3 years operational audits of the accounts and records of water management districts.

We conducted this operational audit from March 2019 through June 2019 in accordance with 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of this operational audit were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable 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, and 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, findings included all applicable deficiencies disclosed in our report No. 2017-215.
- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in management's internal controls, instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify

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<sup>9</sup> Section 11.45(2)(f), Florida Statutes.



problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included transactions, as well as events and conditions, occurring during the audit period of October 2017 to March 2019, and selected District actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

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.

In conducting our audit, we:

- Evaluated the duties and responsibilities administratively assigned to the District and examined and reviewed documentation such as organizational charts and minutes of Board meetings.
- Evaluated District policies and procedures relating to major District functions, such as revenue and cash collections, motor vehicle usage, procurement of goods and services, employee compensation, payroll and personnel, travel, and safeguard of District assets.
- Evaluated District controls related to conflicts of interest. In addition, reviewed District employee financial disclosure forms and District vendor records and searched the State of Florida, Division of Corporations, records for potential conflicts of interest among District officers and employees.
- Examined District records to determine whether statutorily required positions had been established for a District Ombudsman, Inspector General, and Board Secretary-Treasurer. Also, examined District records to determine whether Board Members met the residency and experience requirements.
- Obtained the Board-approved budget and reviewed applicable policies and procedures for compliance with requirements established in Section 373.536(4)(a) and (b), Florida Statutes.
- Evaluated District policies and procedures for reporting committed fund balances in accordance with generally accepted accounting principles. We examined District records supporting commitments to fund balance totaling \$6.6 million from the \$15.1 million committed fund balance reported at the September 30, 2018, to determine whether the commitment amounts were materially correct and properly classified.

- Evaluated District tangible personal property controls related to the conduct of an annual physical inventory and the disposal of surplus property to determine compliance with Chapter 274, Florida Statutes, and Department of Financial Services Rules, Chapter 69I-73, Florida Administrative Code.
- From the population of 348 vehicle usage logs prepared during the audit period, examined 19 selected vehicle usage logs to determine whether the logs were completed in accordance with District policies and procedures, approved by the appropriate supervisor, and fuel expenses were supported by a receipt. Additionally, we examined District personnel records to determine whether assigned vehicles were operated while the employee was on leave and, if the employee kept the vehicle overnight, determined whether the District correctly reported fringe benefits in accordance with Internal Revenue Service requirements.
- Evaluated the methods used by the District to acquire commercial insurance and determined whether the basis for selecting the carrier was documented in District records and conformed to good business practices.
- We examined District records supporting the three land acquisitions totaling \$3.2 million and five land disposals totaling \$727,376 completed during the audit period for District compliance with applicable laws, rules, regulations, District policies and procedures, and other guidelines.
- From the population of 278 contracts in effect during the audit period, examined District records supporting 15 contracts with contract amounts totaling \$3.2 million to determine whether the contracts were competitively selected; appeared reasonable and necessary; were entered in accordance with applicable laws, rules, and regulations; and were properly authorized and approved. Additionally, we examined District records supporting 15 contract payments totaling \$987,905 to determine whether the contract deliverables were clearly defined and District personnel verified the receipt of deliverables prior to payment.
- From our examination of the 15 contracts totaling \$3.2 million, identified 8 contracts totaling \$2.5 million subject to competitive bidding and determined whether the District complied with competitive procurement requirements contained in Board policies and State law.
- For one construction project totaling \$1 million, examined District records to determine whether the engineer and contractor were properly selected and adequately insured.
- From the population of restricted fund expenditures totaling \$18.1 million incurred during the audit period, examined District records supporting 20 disbursements totaling \$5.3 million to determine whether District controls were adequate to separately account for and properly expend restricted resources.
- Examined transfers between funds during the 2016-17 and 2017-18 fiscal years to determine whether the transfers were allowable and adequately supported.
- From the population of 91 District grant and contract awards totaling \$3.2 million to local governments and private entities from State and local sources during the audit period, examined District records related to 9 awards totaling \$934,268 to determine whether District procedures were adequate to ensure awards were administered in accordance with program directives, complied with applicable restrictions imposed by the grant or contract terms, and were adequately documented and monitored.
- Evaluated the adequacy of the District audit committee; determined whether adequate records were maintained to support audit committee selection and recommendation of financial services auditors; and reviewed selected records to determine whether District policies and procedures were followed. Additionally, we examined District records supporting payments totaling \$41,690 for audit contract services to determine whether the payments complied with the terms of the contract.

- Evaluated controls over employee access to information technology (IT) and other District resources, as well as the District's efforts to safeguard IT resources.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

## ***AUTHORITY***

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Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is written in a cursive style with a large, stylized initial "S".

Sherrill F. Norman, CPA  
Auditor General

# MANAGEMENT'S RESPONSE



VIRGINIA H. JOHNS  
Chair  
Alachua, Florida

HUGH THOMAS  
Executive Director

## SUWANNEE RIVER WATER MANAGEMENT DISTRICT

January 17, 2020

Ms. Sherrill F. Norman, CPA  
Auditor General, State of Florida  
Claude Denson Pepper Building,  
Suite G74 111 West Madison Street  
Tallahassee, Florida 32399-1450

VIA EMAIL: [flaudgen\\_audrpt\\_lg@aud.state.fl.us](mailto:flaudgen_audrpt_lg@aud.state.fl.us)

Subject: Suwannee River Water Management District's Responses to the Preliminary and Tentative Audit Findings

Dear Ms. Norman:

Pursuant to Section 11.45(4)(d), Florida Statutes (F.S.), below are the Suwannee River Water Management District's responses to the preliminary and tentative audit findings and recommendations. The District has already taken steps to implement changes as a result of these findings.

### Finding No. 1

State law prohibits a Board member from having a contractual relationship with any business entity that does business with the District. However, two Board members received District awards totaling \$10,450 without documented legal determinations of the authority for these awards.

### Recommendation

Board policies should be revised to require documented legal determinations to help evaluate whether potential conflicts of interest are contrary to State law. In addition, the District should seek guidance from the Commission on Ethics regarding the identified potential conflicts of interest and, based on the guidance obtained, determine whether the District should discontinue cost-share project contract awards to Board members.

### SRWMD RESPONSE

The District has initiated annual Governing Board workshops reviewing the Sunshine Law and Code of Ethics as set forth in Chapter 112, Part III, F.S. Also, the District updated the Agricultural Cost-Share Program Procedure effective August 2019 to reduce risk of potential conflicts of interest. Furthermore, in addition to an updated Ethics Policy for employees effective October 2019, the District will implement a Code of Ethics Directive for Governing Board Members which among other things will address legal determinations for evaluating potential conflicts of interest.

In response to the concerns raised in this audit, the General Counsel on September 24, 2019 advised the Governing Board to no longer apply for or participate in any subsequent District agricultural cost-share programs. Since Governing Board Members are no longer eligible for agricultural cost-share participation it is the District's opinion that seeking guidance from the Commission on Ethics is not necessary.

Water for Nature, Water for People

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[mysuwanneeriver.com](http://mysuwanneeriver.com)

**Finding No. 2**

District records did not always demonstrate compliance with Board policies and procedures governing receipt and use of agricultural cost-share funds.

**Recommendation**

The District should:

- Define who should participate on the AG Team and how the team should function to ensure compliance with Board policies by prioritizing Program project proposals and recommending projects to the Board for Program funding.
- Maintain copies of properly completed Program project applications evidencing how applicants met the Program eligibility requirements.
- Conduct, and maintain records of, onsite monitoring and visual verifications of equipment installations for Program projects before reimbursements are made.
- Document District review procedures to ensure that Program project recipients do not receive cost-share project funding from both the District and FDACS for the same projects.
- Establish documented monitoring procedures to ensure that the Program objectives are met, and District benefits are realized.
- Require and ensure the project manager documents consideration of potential conflicts of interest while reviewing Program project applications.

**SRWMD RESPONSE**

The Agricultural Cost-Share Directive effective May 2019 and Agricultural Cost-Share Programs Procedure effective August 2019 were revised to clarify the program staff's responsibilities, how projects are prioritized, and reflect current practices. All references to the AG Team have been eliminated.

The District agrees with the importance of maintaining copies of properly completed applications and evidence of the applicant's program eligibility. An application review checklist has been developed to ensure applications are properly completed and to demonstrate program eligibility.

The District Agricultural Cost-Share Programs Procedure effective August 2019 requires invoices to provide the appropriate documentation for program area specific cost-share items. The Directive and Procedure will be updated to require onsite monitoring and visual verifications where practicable prior to making reimbursements. The program manager will review recipient list with FDCAS on a quarterly basis to avoid duplicate awards and will revised the procedure accordingly.

The District has a long-term monitoring program that analyzes trends. The District's hydrological monitoring network consists of 252 groundwater level sites, 48 surface water sites of which nine are springs, 42 rain gages sites, and eight daily discharge sites. Discharge is measured intermittently at 51 springs on either a quarterly (16 locations), bi-annual (24 locations), or annual (11 locations) basis. Water Quality sampling is conducted at 69 groundwater sites and 106 surface water sites of which 55 are springs. The District's agricultural monitoring program requires monitoring of wells greater than eight inches inside diameter and surface water withdrawals with an outside diameter of six inches or greater. The District will update the Agricultural Cost-Share Directive to include monitoring practices for assessing project benefits.

The Agricultural Cost-Share Programs Procedure effective August 2019 requires that project applications are reviewed for potential conflicts of interest and any such conflict will be documented.

**Finding No. 3**

The District had not established a comprehensive disaster recovery plan.

**Recommendation**

The District should establish a comprehensive IT disaster recovery plan that includes the necessary critical elements and details and ensure that the plan is tested at least annually.

**SRWMD RESPONSE**

The District established a comprehensive IT disaster recovery plan effective December 2019 as recommended.

If you have any questions or if we can assist you by providing additional information, please do not hesitate to contact us.

Sincerely,



Hugh Thomas, Executive Director  
Suwannee River Water Management District

HT/ps

cc: Ms. Virginia Johns, Governing Board Chair