

SOUTH FLORIDA WATER MANAGEMENT DISTRICT



**Office of Inspector General
Annual Report**

Fiscal Year 2007

Prepared by
Office of Inspector General

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INTRODUCTION

In accordance with the Section 20.055 F.S., this report summarizes the activities of the South Florida Water Management District's (the "District") Office of Inspector General (the "OIG") for the fiscal year ended September 30, 2007.

The OIG serves as an independent appraisal unit within the District to examine and evaluate its activities. The Inspector General reports directly to the District's Governing Board (the "Board"), through the Board's Audit & Finance Committee, whose members are appointed by the Chairman of the Board. The Audit & Finance Committee operates under an Audit & Finance Committee Charter established by the Board.

The Internal Audit Charter adopted by the Governing Board established an internal audit function within the Office of Inspector General to provide a central point for coordination of activities that promote accountability, integrity, and efficiency in the operations of the District. The Office of Inspector General is accorded unrestricted access to District facilities, records, and documents and is not limited as to the scope of work.

The duties and responsibilities of the Inspector General, as defined by Section 20.055, F.S., includes:

- advising in the development of performance measures,
- assessing the validity and reliability of performance measures,
- reviewing action taken by the District to improve performance,
- conducting, supervising or coordinating other activities to promote economy and efficiency,
- preventing and detecting fraud and abuse,
- coordinating with other auditors to avoid duplication, and
- ensuring that an appropriate balance is maintained between audits, investigations, and other accountability activities.

Under Sections 112.3187 through 112.31895 and Section 20.055, F.S., the Inspector General is also responsible for investigating Whistle-Blower Act complaints brought by District employees, former employees, agents, or contractors.

STAFF

The Office of Inspector General currently consists of five professionals: an Inspector General, a Director of Auditing, two Lead Consulting Auditors, one Chief Investigator and one Executive Assistant. The Inspector General is an active member of the Florida Bar. The Director of Auditing is a Certified Public Accountant, Certified Management Accountant, Certified Information Systems Auditor, and Certified Technology Professional. The Chief Investigator is Certified Public Accountant and a Certified Fraud Examiner. One of the Lead Consulting Auditors is a Certified Public Accountant and the other is a Certified Internal Auditor. Professional affiliations are as follows:

- Association of Inspectors General
- American Institute of Certified Public Accountants
- Institute of Internal Auditors
- Association of Local Government Auditors
- Institute of Management Accountants
- Information Systems Audit and Control Association
- Association of Certified Fraud Examiners

During FY 2007 the Office of Ombuds and Citizens Services was moved to the Office of Government and Public Affairs.

CONTINUING PROFESSIONAL EDUCATION AND TRAINING

In order for our Office to comply with the General Accounting Office's *Government Auditing Standards* and the Institute of Internal Auditors *Standards for the Professional Practice of Internal Auditing*, the Inspector General ensures that mandatory training requirements are satisfied for the entire Office of Inspector General staff. The goal of the program is to cost effectively increase professional knowledge and proficiency, and ensure that staff meets continuing professional education requirements. During FY 2007 the staff received training in such topics as:

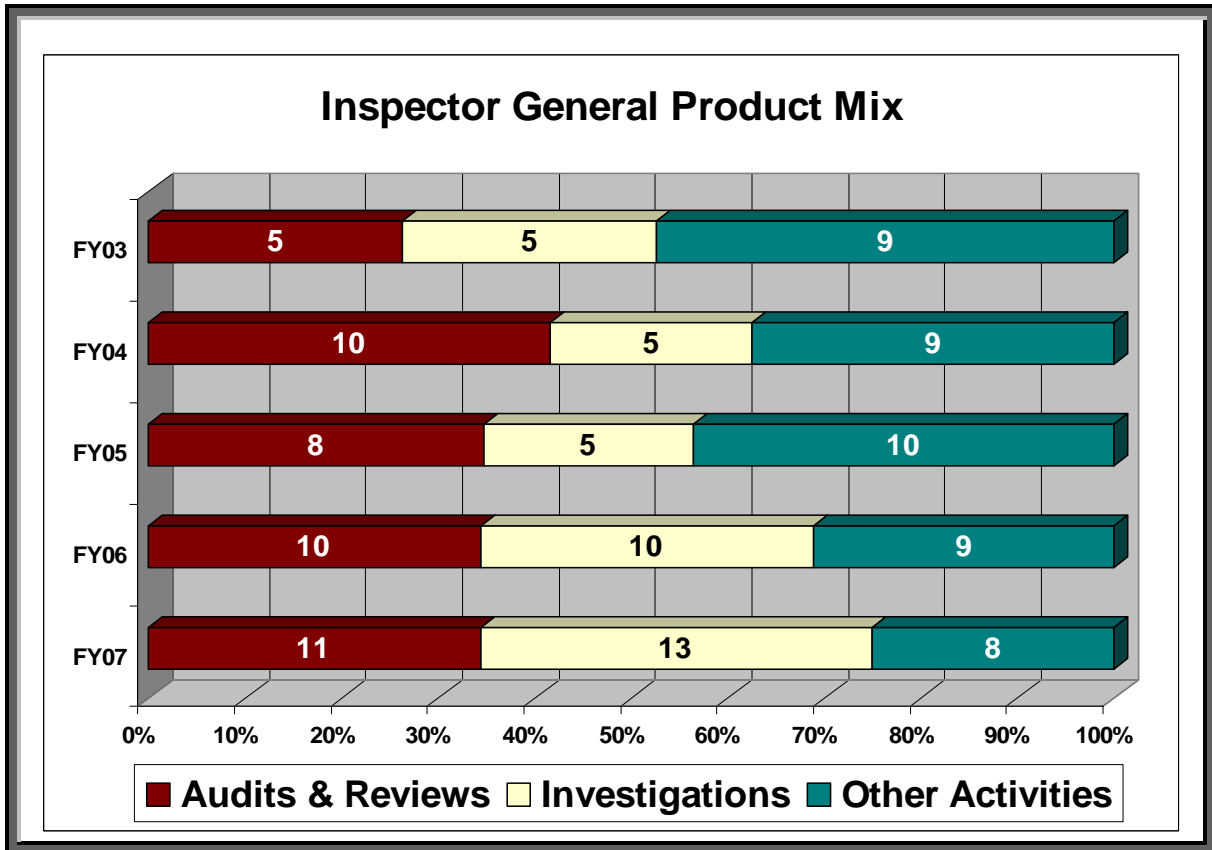
- Government Accounting Standards

-
- Government Auditing
 - Information Systems
 - Performance Measures
 - Auditing Construction Contracts
 - Performance Measures
 - Fraud Detection and Investigation
 - Ethics

INSPECTOR GENERAL ACTIVITIES

The Inspector General prepares an annual audit plan that lists the audits and other activities that will be undertaken during the ensuing fiscal year. The Inspector General relies on a review of the District's Strategic and Annual Work Plans, analysis of financial information, and input from the Audit & Finance Committee and District management, to aid in the development of this plan. The Office of Inspector General continues to identify those programs that pose the greatest challenge to the District, to assist in prioritizing audits, and to ensure the most effective use of staff resources. The Inspector General also considers the statutory responsibility to advise in the development of performance measurements, standards, and procedures in assessing District program risks.

Overall, the number of work products prepared in FY 2007 was higher than the three previous fiscal years due primarily to a record number of investigations received in FY 2007, as illustrated in the following graph:



All audits, unless otherwise noted in the report, are conducted in accordance with generally accepted government auditing standards promulgated by the Comptroller General of the United States, which are commonly referred to as the Yellow Book.

AUDITS & REVIEWS

In FY 2007, the Inspector General's Office focused on performance auditing and completed 11 audits and reviews of programs and processes. Performance audits include comments on economy & efficiency, program compliance, and results. A summary of each report follows:

Validation of Sunset Review Report ***Project No. 07-01***

The State Legislature passed the Government Accountability Act, HB1123 (Sunset Law) during the 2006 Legislative Session. The bill established a Legislative Sunset Advisory Committee to review water management districts on July 1, 2008 to determine whether water management districts should be abolished effective June 30, 2009. The Sunset Law required water management districts to submit a report to the Advisory Committee by January 1, 2007 that included information covering 17 items. The law also required that the report be validated by the Governing Board and the agency's inspector general.

Based on our validation procedures we concluded that the Agency Report satisfied the legislative requirements and intent of HB 1123 and provided the necessary information to the Legislative Sunset Advisory Committee for the purpose of performing a comprehensive evaluation and justification review to determine the continued existence of water management districts in the State of Florida. The report was accompanied by a validation report signed by the Inspector General and the Chairman of the Governing Board.

**Audit of the Kissimmee River Restoration
Project In-Kind Credit Request Process
Project No. 06-19**

The objective of this audit focused on examining the District’s process for preparing In-Kind Credit Requests to ensure that the District is requesting credit for all eligible costs related to the Kissimmee River Restoration (KRR) project and to determine whether a sufficient audit trail exists. Our audit disclosed that the Kissimmee Division’s staff and Accounting Division’s staff were diligent in researching and identifying restoration costs incurred for the KRR project and that an adequate audit trail exists to support expenses eligible for cost share credit. However, our audit discovered a number of additional expenditures that are eligible for in-kind credit and also revealed a few expenditures that were claimed twice or ineligible for credit. The following table summarizes our audit results and shows the net additional expenditures that we identified that are eligible for in-kind credit.

Summary of Audit Results	Amount
Additional creditable restoration expenditures	\$ 658,262
Expenditures claimed for credit by both Kissimmee Division and Land Acquisition	(383,473)
Credit claimed for ineligible expenditures	(66,610)
Additional mitigation in lieu of land acquisition expenses	1,639,718
Additional salaries and indirect cost eligible for credit	7,221,681
Additional non-salary land acquisition expenses	1,676,936
Net Additional Expenditures Eligible for Credit	\$10,746,514

We were unable to perform certain planned audit procedures to test the claim status of land acquisition related expenditures. Specifically, we planned to test whether all acquisitions could be accounted for and determine which completed acquisitions have been submitted to the USACE for certification and which are pending submission. This data was not currently available; however, Land Acquisition proceeded with compiling this information. The report also recommended that total expenses charged to the KRR program should be reconciled to total In-Kind Credit Requests.

Quarterly Review of Acceler8 Expenditures
April 1 – June 30, 2006
Report No. 06-29

The objective of this review focused on determining whether payments were properly authorized and made in accordance with contract/work order terms and other relevant District policies and whether there was adequate supporting documentation to substantiate payment.

We found that retainage was not always withheld on the amount paid for stored materials. We made two recommendations for improvement.

Quarterly Review of Acceler8 Expenditures
July 1 – September 30, 2006
Report No. 07-02

The objective of this review focused on determining whether payments were properly authorized and made in accordance with contract/work order terms and other relevant District policies and whether there was adequate supporting documentation to substantiate payment.

Overall, our review disclosed that Contract Payment Authorization forms were properly authorized and payments were made in accordance with contract terms and were substantiated by adequate supporting documentation. However, we made a recommendation regarding a few minor issues we noted that would help strengthen the processes regarding inspection documentation and approval of payments for stored materials.

We found that the level of detail contained in the Daily Reports, Bi-weekly Meeting Minutes, and other documentation, varied significantly among the projects. We also noted a few instances where payments were approved for stored materials before actual delivery and storage at the construction site, as required by the general conditions of District construction contracts. We made one recommendation for improvement.

**Audit of the Administration of
General Engineering Services Contracts**
Project No. 07-03

The objective of this audit focused on determining whether General Engineering Services (GES) contract work orders are being distributed equitably among contractors; whether contractor are complying with their commitments to utilize Minority/Woman Business Enterprise (MBE) Program subcontractors, and whether contractors' performances are being evaluated as required.

Overall, our audit revealed that there are adequate controls in place to ensure that GES work orders are distributed equitably among contractors considering that many factors may affect the amount of work assigned to a contractor.

Our review also disclosed that, although the District's MBE program was repealed, the District encouraged prime contractors to honor their contractual commitments to use MBE subcontractors. However, since May 2006 Procurement has not actively tracked subcontractor utilization due to staff constraints and realigning efforts towards implementing the new Small Business Enterprise (SBE) Program. Since MBE utilization was not monitored, we could not perform sufficient audit procedures to determine whether prime contractors were complying with their MBE commitments. After our audit commenced, Procurement hired a temporary staff to assist in updating MBE utilization for all GES contracts. A preliminary review of the updated information for completed work orders disclosed that the prime contractors did not comply with their MBE utilization obligations in 63% of the work orders we reviewed.

We also found that GES contractors were not being evaluated as required. Our review of work orders disclosed that 60% of the performance evaluations were never completed. Evaluations help ensure satisfactory contractor performance and provide valuable information in evaluating future proposals.

**Review of Acceler8 Payments for the Quarter
Ended December 31, 2006**
Project No. 07-09

The objective of this review focused on determining whether payments were properly authorized and made in accordance with contract/work order terms and other relevant District policies and whether there was adequate supporting documentation to substantiate payments.

Overall, our review disclosed that payments were properly authorized and made in accordance with contract terms and were substantiated by adequate supporting documentation. However, we noted a few minor issues and communicated those to management.

**Review of Acceler8 Payments for the
Quarter Ended March 31, 2007**
Project No. 07-22

The objective of this review focused on determining whether payments were properly authorized and made in accordance with contract/work order terms and other relevant District policies and whether there was adequate supporting documentation to substantiate payment.

Overall, our review disclosed that payments were properly authorized and made in accordance with contract terms and were substantiated by adequate supporting documentation.

**Results of Review of the Small Business
Enterprise Program - Inception to May 31, 2007**
Report No. 07-23

The objective of this review focused on determining compliance with the policies and procedures outlined in the SBE Rule and the SBE Program's goals to ensure that the SBE Program will achieve its intended objectives. Our review disclosed that the Procurement Department has implemented, or is in the process of implementing, procedures to ensure that the SBE Program will achieve the objective of providing

contracting opportunities to small businesses. Most of the requirements specified in the SBE Rule have either been implemented or are in the process of being implemented.

Alternative Water Supply Funding Process

Project No. 07-08

The objective of this audit focused on determining whether funding for alternative water supply projects are awarded in accordance with the State's Water Protection and Sustainability Program and the District Governing Board's guidelines. Our objectives also included determining whether the contract agreements were adequately monitored.

Overall, our audit revealed that the District's Alternative Water Supply Program is being administered in compliance with state laws and District guidelines. Water Supply staff did an excellent job of implementing new alternative water supply statutory requirements that took effect in FY 2006 and made several improvements in the FY 2007 funding process. In addition, the FY 2008 funding process has been further enhanced, as the funding process is still evolving.

We did find some minor discrepancies in the calculations of funding amounts and recommended that all calculations be verified by another Water Supply employee. Also we noted that adequate documentation was not maintained to substantiate the amounts funded for the Special Merit project. We also found that improvements are needed over the payment process, including one instance where a grant recipient received about \$190,000 in excess funding because supporting documentation was not closely reviewed.

Audit of Monitoring of Water Use Permits

Report No. 07-27

The objective of this audit focused on determining whether District staff is adequately ensuring that permit holders are complying with the limiting conditions of their water use permits.

Overall, our audit revealed that there are procedures in place to monitor permit compliance; however, the procedures have not been fully implemented due to insufficient staff. Our analyses disclosed that all of the required reports and monitoring data were

submitted for only about 23 percent of permits with reporting requirements; consequently, about 77 percent were missing some or all of the required reports and monitoring data. Routine monitoring and enforcing of permit limiting conditions is often not possible due to other responsibilities of the Compliance Unit's staff. Instead, Compliance Unit staff monitor compliance for those permits that they believe can cause potential harm to the water resources as well as issues they come across while performing other duties.

The Water Use Compliance Database generates a summary report that ranks out-of-compliance permits by the severity of the non-compliance; however, the Compliance Reviewers rarely use it to monitor and enforce compliance. We noted that very few notices are sent to non-complaint permit holders. Specifically, our review of a database report which tracks phone calls and notices of non-compliances revealed that notices of non-compliance were generated for only 138 permits of the approximately 1,760 non-complaint permits in 2006 and for only 17 permits of the approximately 1,600 non-complaint permits in 2007. Few permits are referred for enforcement action. During the period January 11, 2005 through May 2, 2007, the Compliance Unit forwarded 185 enforcement referrals to the Regulations Department's Environmental Resource Compliance Unit. Only seven were for violations of active permits where permittees were not complying with limiting conditions. Most of the remaining 177 referrals were for water use without a permit and failure to renew expired permits.

**Audit Recommendations Follow-Up
Report for Fiscal Year 2007
*Project No. 07-37***

We are pleased to report that District management has satisfactorily addressed most of our 409 audit recommendations made during the past eight fiscal years (1999 to 2007). The status of recommendations in this year's report is comparable to last year's. Notable is that no recommendations fell into the "Not Implemented" category for the current and previous years.

INVESTIGATIONS

Investigations issues arise from many different sources including: District management, District staff members, vendors, and citizens. The Chief Inspector General for the Office of the Governor also refers certain cases to our Office. We completed 13 investigations during FY 07. A short summary of each investigation is as follows:

Investigation of Complaint Regarding Contamination on Talisman Property *Project No. 07-04*

The Executive Office requested our Office investigate concerns regarding contamination on the Talisman Property outlined in a letter received from a citizen. The complainant contended that the District had not identified and performed all the environmental rehabilitation needed on property the District purchased from Talisman Sugar Corporation (Talisman). Further, the complainant contended that Talisman impeded the District's engineering consultant from performing an objective environmental assessment of the property.

Our investigation revealed that the environmental consultant that performed the environmental assessment worked directly for, and their fees paid by, the District. Hence, the consultant was free to perform the assessment without any influence from Talisman. Based on the evidence examined, the District has already rectified all the environmental conditions on the Talisman property identified in the Department of Environmental Protection Site Rehabilitation Agreement. Thus, the concerns stated in the complainant's letter have already been satisfactorily addressed; hence, we concluded that the complainant's allegations were unfounded.

**Investigation of Alleged Collusion
Regarding District Procurement Solicitations
*Report # 07-05***

Our office investigated concerns of possible collusion, fraud and/or misrepresentations regarding Request for Proposal (RFP) solicitations for MOSCAD and Campbell Scientific Equipment Installation services. Procurement was concerned that two respondents misrepresented material facts and omitted critical information in their proposals. Specifically, it appeared that two respondents had common ownership and employees but this information was not disclosed, which Procurement believed may have violated public procurement policies and District policies of fair and open competition. These two companies also had existing contracts with the District and may not have made the proper disclosures in obtaining District work.

Our objective was to determine whether federal or state laws, District policies and/or the solicitation documents prohibit firms with common ownership and employees from submitting multiple proposals. Our objective also entailed reviewing the adequacy of the conflict of interest and related party disclosure requirements in the boilerplate solicitation document.

To determine the laws and disclosure requirements that apply to this solicitation, we engaged Board Counsel to the Governing Board (Board Counsel) to identify the federal or state laws that prohibit multiple proposals from firms under common management. We also requested Board Counsel to review District RFP solicitation language related to respondent independence and required related party and conflict of interest disclosures.

Board Counsel found that no specific federal or state laws prohibit two firms under common management from responding separately to a District RFP solicitation. They also noted that there is no prohibition against collusion in the District's RFP solicitation document. Moreover, for companies which have allegedly engaged in collusion, there is no provision in the existing contracts that serves as a basis for debarment proceedings or other adverse contract action. We recommended that language (suggested by Board Counsel) be added to the boilerplate solicitation document

prohibiting collusion and that a Declaration of Non-Collusion be made part of the solicitation package.

**Complaint Alleging Improper Blocking of
Access to Private Property**
Project No. 06-31

We investigated a citizen's complaint that the Florida Fish and Wildlife Conservation Commission (FWCC) blocked access to his property and that the FWCC advised him that they would sell him a permit to access his property through the gates or that he can access it through another route by traveling 25 miles out of his way.

The complainant's property is approximately 1¼ acres located in the Pal Mar area in Martin County. Portions of this area were subdivided many years ago but infrastructure was never put in place to make the area buildable. The property currently is only useable for recreational purposes. The District owns a significant portion of the Pal Mar area and entered into a 50 year lease agreement with the FWCC on June 18, 2001 to manage the property as a wildlife and environmental area. The property is accessible by the public, subject to FWCC regulations and permit requirements. The Complainant must travel through this area to access his property.

The Complainant's contention that he must drive 25 miles out of his way to access his property through the route permitted by the FWCC was due to the Complainant's unfamiliarity with the roads in the area and the route allowed is actually the closest point from which to access his property from major highways. Furthermore, the FWCC has provided the complaint with the necessary permits at no cost. Hence, the allegations were unfounded.

**Investigation of Federal Relocation Act Benefits
Regarding the 8½ Square Mile Area Acquisition**
Project No. 07-07

Our Office received a complaint alleging that the South Florida Water Management District, the U.S. Army Corps of Engineers, and Miami Dade Country conspired to commit fraud by promising to apply the Uniform Relocation Act for property acquisitions in the 8½ Square Mile Area but instead injected their own

interpretations of the Act. The complainant sold his 8½ Square Mile Area property to the District in 1999 and contended that there may be fraud in the District's relocation program and that he was treated unfairly.

We found the Complainant's allegations that the District engaged in relocation benefits fraud and unfairly treated him in applying the Act's standards to his relocation are unfounded. The amount the District paid the Complainant for relocation benefits was determined through an administrative court-approved settlement that was negotiated by the parties. The Complainant demonstrated his approval and satisfaction with the District's relocation benefit package by executing a general release, which discharged the District from any future claims under the Uniformed Relocation and Real Property Acquisition Acts. In addition, the District allowed the Complainant to remain on the property for an additional 10 months beyond the stipulated one-year allowed per the agreement.

**Investigation of a Complaint Alleging Employee
Using District Resources for Personal Business**
Project No. 07-12

We received an anonymous complaint through the Governor's Office of the Chief Inspector General alleging that two District employees were running their own businesses during District working hours. Our review of District payroll records indicated that one of the employees was a Lead Project Manager for Capital Projects in the Engineering Division but the other named individual was not a District employee.

Our investigation revealed that the District employee had conducted non-District business activities and violated the District's policy on *Acceptable Use of Information Technology and Telecommunications*. Management took appropriate corrective action.

**Investigation Alleging Unfair Employment Practices
and Deficient Land Acquisition Processes**
Report No. 07-13

We investigated a complaint referred to our Office through the Governor's Office of Citizen Services that was filed by a former District employee who was employed at the

District from September 1992 through January 2007. The complainant alleged that the District engaged in unfair hiring and promotion practices. The complainant also expressed concern over the land acquisition process. Specifically, the complainant expressed concerns as to whether all land purchases were project related, how the acquisitions were funded when the complainant believed no money was available, and why so much land had been surplussed. The complainant also noted that, in their view, the land acquisition planning process is inadequate. The complainant also asserted that title to land was transferred to a District employee with no consideration in return. The complainant also questioned a payment to a lobbyist in Washington, D.C. made under an environmental contract.

Our investigation revealed that all of the complainant's allegations were either unfounded or exonerated.

**Investigation Regarding Altered
Payee on Check #3010298
*Project No. 07-17***

A payee on a District check in the amount of \$544.64 was altered and cashed by the offender. It appears that the check stolen from the vendor's mail box because this situation also occurred with several of the vendors other customers. The bank credited the District's account for the loss.

**Investigation of Allegation of Grand Theft
at the Kissimmee Field Station
*Project No. 07-18***

We investigated the allegations in an anonymous complaint that was forwarded to us from the District's Executive Office. The complaint alleged that a Management Supervisor stole District property, violated ethical standards, showed favoritism when evaluating his "friends" working at the field station, and engaged in unethical practices with vendors. The allegations were unfounded.

**Investigation of South County Regional Park
Golf Course Irrigation Permit
Report # 07-24**

At Executive Management's request, we investigated permit # 50-07194-W for the South County Regional Park Golf Course Irrigation permit. The objective of our investigation was to determine whether the permit process was followed and whether the South County permit was issued in accordance with all applicable rule criteria. In addition, we reviewed the living arrangement between the District's Division Director of Water Use Regulation and the consulting engineer for the South County Regional Park Golf Course Irrigation permit to determine whether the Director violated District ethical policies.

We found that the Governing Board acted prudently when they discovered that all of the consumptive use permitting rule criteria may not have been applied to the South County permit and requested that the permit be reconsidered. It appears that permit review staff were not trained to implement the provisions of the Regional Water Availability Rule and as such the provisions of the Rule may not have been applied as intended.

The Director of Water Use Regulation's (the Director) living arrangement in which he rented a room from the engineering consultant who represented Palm Beach County for the South County Regional Golf Course project created the appearance of impropriety and indicated poor judgment. However, we found no evidence indicating that the arrangement impaired the Director's independence or that he showed favoritism towards engineering consultant in processing the permit. Staff under the Director never felt pressured to do anything unethical or illegal and saw no preferential treatment towards the consultant.

Outside legal counsel, engaged to determine whether the living arrangement violated District and/or State ethical standards, found that it was not a violation. Still, the Director's failure to apply all consumptive use rule criteria and recuse himself from this permit pursuant to a Deputy Executive Director directive represented inappropriate conduct and insubordination.

The Director of Water Use Regulation resigned from the District.

Investigation of an Allegation Contending That the District Hired a Convicted Felon
Report # 07-29

Our Office received an anonymous complaint that the District did not perform a proper background check that resulted in hiring a convicted felon. We determined that the individual was not a District employee but was an employee of a District contractor that was performing work on the District's sensitive SCADA network project. We also confirmed that the individual had been convicted of a felony in Texas and sentenced to two years in prison. Management immediately notified the contractor and revoked all accesses the person had to District facilities and Information Technology systems.

Investigation of Complaint Regarding Keene's Pointe Park Canoe Launch Permit
Project No. 07-29

Our Office received complaints from two citizen organizations that were concerned that a developer may be in violation of a canoe launch permit on a lake in the Orlando area. The complainants expressed concerns that a developer intended to dredge a channel to connect Private Lake (a small lake) to Lake Tibet (a larger lake). Accordingly, the complainants requested that the District revoke the permit to build the canoe launch on Private Lake. We concluded that the developer is not authorized to dredge a channel between Private Lake and Lake Tibet and that any attempt to create such a channel through this wetland area would be a violation and subject to District enforcement. However, there was no basis for revoking the canoe launch permit.

Investigation of Alleged Violations Related to Fish Farm Lease
Report No. 07-23

We investigated the allegations in an anonymous complaint referred to our Office from the State of Florida Department of Environmental Protection regarding a 20-year lease agreement. The District leases a fish farm situated in South Dade County in an area known as the Southern Glades Wildlife and Environmental Area and borders the

Everglades National Park. The complainant alleged that the lessee is in direct violation of the lease agreement on several accounts, including degradation of the Biscayne Aquifer and wetlands directly affecting the Everglades National Park. The complainant further alleges violations of Federal permitting laws under the National Environmental Policy Act and the Clean Water Act.

We found that the complainant's allegations related to federal and state permit violations is unfounded. The lessee has obtained the required permits and complied with the Florida Department of Agriculture and Consumer Services best management practices established for aquaculture operations and District permit conditions except for recalibrations, which the lessee is correcting. However, we found that allegation related to non-compliance with terms of the lease agreement relating to maintaining the property free of exotics is sustained. We observed that a large portion of the property was overgrown with Brazilian pepper and other exotics that should be eradicated.

Investigation of RadGov's SBE Certification ***Project No. 07-28***

The Procurement Department requested that our Office investigate whether RadGov made certain misrepresentations on their SBE application concerning affiliation with another company. RadGov was formerly a subsidiary of Radiant and was allegedly spun-off as a separate company.

We found that Radiant and RadGov were still affiliated companies. The companies continued to share resources and Radiant continued to manage RadGov's operations. Intercompany activities were numerous and substantial.

As a result, we concluded that RadGov did not comply with Small Business Enterprise certification criteria and therefore we recommend that the District initiate the process of decertifying RadGov as a Small Business Enterprise. Radiant's most recent financial information indicate that their revenues are significantly higher than allowed under the Small Business Enterprise rule.

OTHER PROJECTS

Assistance to Management

The OIG periodically receives requests from District departments to consult with, and provide advice, on various projects. Such projects may entail examination, investigation or analysis of specific matters. This support may involve financial analysis, performance reviews, information systems reviews, review of rule or policy changes, contract pricing verification, or serving in an advisory capacity to assist in the decision making process regarding specific projects. In FY 2007 the Office of Inspector General received one such request.

Administrative Projects

During FY 2007 our Office completed the following seven administrative projects:

- Developed FY 2008 Audit Plan.
- Completed the Office of Inspector General Annual Report for FY 2007.
- Maintained and updated the Office of Inspector General Web Site.
- Managed the Contract with Rachlin Cohen and Holtz for Acceler8 Audit.
- Managed the Contract with Sharpton Brunson and Company for External Independent Auditing Services. The District received an unqualified opinion on its financial statements for the year ended September 30, 2006.
- Participated on an Association of Local Government Auditors team to perform a peer review for the City of Atlanta, Georgia, Office of the City Auditor.
- Coordinated with the Association of Local Government Auditors to perform a peer of the SFWMD's Office of Inspector General. (See further discussion on page 21.)

Peer Review

The peer review for our Office was completed on May 25, 2007 covering the three year period ended December 31, 2006. Florida State statutes require inspector generals to perform audits in accordance with *Government Auditing Standards*

promulgated by the Comptroller General of the United States. One of those standards requires an external independent peer review once every three years to assess the audit organization's conformance with applicable professional standards.

The review was performed through the Association of Local Government Auditors peer review program. Our peer review team members were; Frank DeMattos, Deputy City Auditor, City of Stockton, California; and Tina Adams, Senior Internal Auditor, City of Charlotte, North Carolina.

The peer review process can result in three levels of compliance: Full, Satisfactory, or Noncompliance. Our Office received a Full Compliance report, which means that in the reviewers opinion our quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with applicable *Government Auditing Standards*.