

OFFICE OF
INSPECTOR
GENERAL

Revenue Collections Follow-Up Audit

August 7, 2025 – August 18, 2025

Southwest Florida
Water Management District

The logo features three stylized white waves of varying lengths, positioned below the text.

Governing Board
September 23, 2025

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Executive Director

September 23, 2025

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

Dear Mr. Mitten:

In accordance with the Office of Inspector General (OIG) Charter Governing Board Policy and Section 20.055, Florida Statutes, the Inspector General shall conduct audits and prepare audit reports. The Revenue Collections Follow-Up Audit was performed per the 2025 Audit Plan approved by the Governing Board. In addition, the Inspector General shall monitor the implementation of the District's response to any audit issued by the Auditor General.

The Auditor General released the District's operational audit report No. 2024-112 in January 2024. Included in this report, there was a finding regarding revenue collections. The Auditor General recommended that the District's collection procedures should be enhanced to document initial collections and appropriately separate incompatible duties. The Auditor General noted if a sufficient number of staff at any of the District office locations is unavailable to appropriately separate the duties, the District should ensure that compensating controls exist.

The OIG conducted this follow-up audit for the period of 8/7/2025 – 8/18/2025 in accordance with Generally Accepted Government Auditing Standards. Those standards require that the OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for conclusions based upon the audit objectives. The OIG believes that the evidence obtained provides a reasonable basis for the conclusion based on the audit objectives and found that the District took corrective actions as recommended by the Auditor General.

The OIG would like to thank District management and staff for their cooperation and assistance throughout the audit.

Sincerely,

Brian Werthmiller, CPA, CFE, CIG
Inspector General

cc: Finance/Outreach and Planning Committee
Remaining Members of the Governing Board
Mr. Brian Armstrong, Executive Director
Ms. Sherril Norman, State of Florida Auditor General

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT REVENUE COLLECTIONS FOLLOW-UP AUDIT

SUMMARY

This is a follow-up audit to the revenue collections finding from the Auditor General's Report No. 2024-112 released January 2024 for the Southwest Florida Water Management District (District). The Office of Inspector General (OIG) did not have any findings or recommendations relating to the scope of this audit. OIG's audit disclosed that District management has taken corrective actions as recommended by the Auditor General.

BACKGROUND

The Southwest Florida Water Management District (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 revenue collections received through the mail during the period of August 7, 2025 – August 18, 2025 totaling \$63,957.19.

FINDINGS AND RECOMMENDATIONS

This report contains no findings or recommendations.

¹ Chapter 373, Florida Statutes.

PRIOR AUDIT FOLLOW-UP

Based upon the objectives, scope, and methodology as documented below, the District has taken corrective actions for the revenue collections finding as recommended by the Auditor General in Report No. 2024-112.

OBJECTIVES, SCOPE, AND METHODOLOGY

The OIG conducted this follow-up audit for the period of August 7, 2025 to August 18, 2025 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 Auditor General's revenue collections finding from report No. 2024-112.

This audit was designed to identify, for those areas included within the scope of the audit, weaknesses in management's internal controls significant to the audit objectives; 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 problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgement has been used in determining the significance and audit risk and in selecting 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 the audit, the audit work included, but was not limited to,

communicating to management the scope, objectives, timing, overall methodology, and reporting of the audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to the audit objectives; 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; and reporting on the results of the audit as required by Governing Board policy, governing laws, and auditing standards.

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 August 7, 2025 to August 18, 2025, the OIG:

- Reviewed applicable statutes, policies, procedures and interviewed District staff to gain an understanding of the District's operations and internal controls over revenue collections received through the mail.
- Gained an understanding of the information systems used to capture revenue collections received through the mail.
- Evaluated the effectiveness of District policies and procedures relating to revenue collections received through the mail, to determine whether internal controls were designed properly and operating effectively.
- From the population of \$63,957.19 revenue collections received through the mail, examined District records for \$57,333.16 of revenue collections to determine if the District documented initial collections, appropriately separated incompatible duties, and compensating controls existed when there was insufficient staff to appropriately separate the duties.
- 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, CFE, CIG
Inspector General

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MANAGEMENT'S RESPONSE

District management concurred with the audit results.