

28 Section 373.079(4)(b), Florida Statutes, states that the Governing Board of
29 each water management District shall employ an Inspector General, who
30 shall report directly to the Board.

31 (1) The Audit and Finance Committee has the authority to promote
32 independence in the Internal Audit function and to ensure broad audit
33 coverage, adequate consideration of audit reports, and appropriate action on
34 audit reports. The Executive Director shall have the authority to request
35 changes in the approved annual audit plan during the year, but these
36 changes shall subsequently be submitted to the Audit and Finance
37 Committee for approval.

38 **Sec. 101-207. Responsibilities.**

39 (a) The Inspector General shall develop long-term and annual audit plans based on
40 the findings of periodic risk assessments.

41 (b) The Inspector General shall submit an annual budget and audit plan reflecting
42 scheduled audits, non-audit activities and related resources to be devoted to the
43 respective audit and non-audit activities to the Audit and Finance Committee within
44 45 days of the beginning of each fiscal year for review, discussion and approval. The
45 long-term and annual audit plans shall be developed in cooperation with the
46 Executive Director of the District. The annual plan may be amended during the year
47 after review by the Audit and Finance Committee.

48 (c) The Inspector General may initiate and conduct any other audit or review such
49 Inspector deems necessary to undertake.

50 (d) Reasonable notice should be given to appropriate personnel of intent to audit in
51 their area. An exception to reasonable notice will be taken in cases that involve
52 unannounced audits.

53 (e) The Office of Inspector General shall ~~adhere to~~ conduct audits, reviews, and
54 investigations in accordance with the following standards:

55 (1) Generally Accepted Governmental Auditing Standards (GAGAS). ~~The Office of~~
56 ~~Inspector General will conduct its affairs in accordance with this charter and the) or~~

57 the International Standards for the Professional Practice of Internal Auditing as
58 issued by the Institute of Internal Auditors. In addition, it will assist and coordinate
59 activities with the District's

60 (2) General Principles and Standards for Offices of Inspector General as published
61 and revised by the Association of Inspectors General.

62 (3) The provisions of this charter.

63 (f) The Office of Inspector General will administer the contract for the District's
64 independent certified public accountants, and assist and coordinate their activities in
65 order to eliminate duplication of activities where possible.

66 (g) Audits will be performed by those persons who collectively possess the
67 necessary knowledge, skills and disciplines to conduct the audit properly.

68 (h) The Inspector General will have direct communication with the Audit and
69 Finance Committee of the Governing Board in the presentation of audit reports.

70 Audit reports will be prepared within the following guidelines:

71 (1) Each audit will result in a written report. Audit reports will be numbered
72 sequentially by year, and the Inspector General will maintain a cross-reference of
73 audit reports by Department/Office and/or program.

74 (2) Prior to providing a written audit report to the Governing Board, the Inspector
75 General will provide a draft of the audit report to the Executive Director and Auditee
76 Department/Office Directors for review and comment regarding factual content
77 before the report is finalized and released. Draft reports shall remain confidential
78 pursuant to Section 119.07(3)(y), Florida Statutes.

79 A stamped draft report will be provided to the Chair of the Audit and Finance
80 Committee. Upon review and consultation with both the Executive Director and
81 Inspector General, the Audit and Finance Committee Chair may instruct the
82 Inspector General to transmit the draft report to the entire Governing Board.

83 (3) The audited Department/Office shall respond in writing regarding audit findings
84 and recommendations indicating agreement or disagreement, and reasons for any
85 disagreements, plans for implementing solutions to identified problems, and a

86 timetable to complete such activities. Normally, the draft responses must be
87 forwarded to the Executive Director within two weeks. The Executive Director shall
88 review the draft responses, make any necessary changes, and normally forward the
89 District response to the Inspector General within two weeks. The Inspector General
90 will include the full text of the response in the final report.

91 (4) The Inspector General will schedule a meeting to review the report and
92 response with the Executive Director and respective audited Department/Office
93 before issuing a final written report. After such meeting, the Inspector General shall
94 agenda the final audit report for the next available Audit and Finance Committee
95 meeting.

96 (5) Upon completion, the Inspector General shall release the audit report to all
97 members of the Governing Board, Executive Director, and affected Department
98 heads. Upon presentation to the Audit and Finance Committee, the final report will
99 be made available to the general public and members of the press upon request.

100 (6) The report will contain the professional conclusions of the auditor regarding the
101 activities audited. The Inspector General shall include in the audit reports:

- 102 a. A precise statement of the scope of the audit.
- 103 b. A statement that the audit was performed in accordance with Generally
104 Accepted Governmental Auditing Standards, if appropriate.
- 105 c. A statement that an examination for compliance with applicable laws, policies
106 and regulations was conducted and a presentation of the findings associated with
107 that examination.
- 108 d. A summary of findings, including a statement of underlying cause, evaluation
109 criteria used, and the current and prospective significance of the findings.
- 110 e. A statement that internal control systems were examined and a report of any
111 material weakness found in the internal control systems, if appropriate.
- 112 f. Statements of response submitted by the audited Department/Office relevant to
113 the audit findings.
- 114 g. A concise statement of the corrective actions already taken as a result of the

115 audit findings or on the auditee's own initiative.

116 h. Recommendations for additional necessary or desirable action.

117 (7) The Inspector General may request periodic status reports from audited
118 Departments/Offices/Divisions regarding actions taken to address reported
119 deficiencies and audit recommendations.

120 (8) During the course of audit work, the Inspector General and staff shall be alert to
121 any indications of fraud, abuse or illegal acts. If the Inspector General detects
122 apparent violations of law or apparent instances of misfeasance, malfeasance, or
123 nonfeasance by an employee or information that derelictions may be reasonably
124 anticipated, the Inspector General, after consultation with the General Counsel, shall
125 report the irregularities in writing to the Governing Board members, the Executive
126 Director and the Audit and Finance Committee. If the irregularity may be criminal in
127 nature, the Office of Counsel, in conjunction with the Inspector General, shall
128 immediately notify the appropriate chief prosecuting authority in addition to those
129 previously cited.

130 (9) In carrying out the investigative duties and responsibilities specified in this
131 section, the Inspector General shall initiate, conduct, supervise, and coordinate
132 investigations designed to detect, deter, prevent, and eradicate fraud, waste,
133 mismanagement, misconduct, and other abuses in the District. For these purposes,
134 the District shall:

135 a. Receive complaints and coordinate all activities of the agency as required by the
136 Whistle-Blower's Act pursuant to Section 112.3187 et seq., Florida Statutes.

137 b. Receive and consider the complaints which do not meet the criteria for an
138 investigation under the Whistle-Blower's Act and conduct, supervise, or coordinate
139 such inquiries, investigations, or reviews as the Inspector General deems
140 appropriate.

141 c. Report expeditiously to the Department of Law Enforcement or other law
142 enforcement agencies, as appropriate, whenever the Inspector General has
143 reasonable grounds to believe there has been a violation of criminal law.

144 d. Conduct investigations and other inquiries free of actual or perceived impairment
145 to the independence of the Inspector General or the Office of Inspector General.
146 This shall include freedom from any interference with investigations and timely
147 access to records and other sources of information.

148 e. Submit in a timely fashion final reports on investigations conducted by the
149 Inspector General to the Governing Board, except for whistle-blower's
150 investigations, which shall be conducted and reported pursuant to Section 112.3189,
151 Florida Statutes.

152 (10) Pursuant to Section 20.055, Florida Statutes , as amended, at the conclusion of
153 an audit or investigation in which the subject of the audit or investigation is a
154 “specific entity contracting with the state” (as defined by Section 20.055(1)(d),
155 Florida Statutes), or an “individual substantially affected” (as defined by Section
156 20.055(1)(c), Florida Statutes), if the audit or investigation is not confidential or
157 otherwise exempt from disclosure by law, the Inspector General shall, consistent
158 with Section 119.07(1), Florida Statutes, submit the findings to the entity contracting
159 with the District or the individual substantially affected, who shall be advised in
160 writing that they may submit a written response within 20 working days after receipt
161 of the findings. The response and the Inspector General’s rebuttal to the response,
162 if any, must be included in the final report.

163 **Sec. 101-208. Organization.**

164 (a) The Inspector General will be responsible to the Governing Board, through the
165 Chair of the Audit and Finance Committee. Personnel on the Inspector General's
166 staff are required to follow all normal guidelines, policies and procedures which
167 govern District employees. The Executive Director will be responsible for enforcing
168 and administering compliance with those policies.

169 (b) To the extent both necessary and practicable, the Inspector General shall
170 include on the staff individuals with ~~electronic data processing information systems~~
171 auditing experience.

172 **Section 2.** Inclusion of Section 1 of this resolution in the District Policies

173 Code is authorized and directed.

174 **Section 3.** If any section, subsection, subdivision, paragraph, sentence, clause or
175 phrase of this resolution is for any reason held to be unconstitutional or invalid or ineffective
176 by any court of competent jurisdiction, such decision shall not affect the validity or
177 effectiveness of the remaining portions of this resolution.

178 **Section 4.** This resolution shall take effect immediately on adoption.

179

180 **PASSED** and **ADOPTED** this ____ day of _____, 200__.

181

**SOUTH FLORIDA WATER MANAGEMENT
DISTRICT, BY ITS GOVERNING BOARD**

By:

Chairman

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188

189 **ATTEST**

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191 _____

District Clerk

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Approved as to form:

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BY: _____

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Office of Counsel

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