



South Florida Water Management District

Governing Board Audit and Finance Committee MEETING MINUTES

April 9, 2008

10:00 AM

District Headquarters - Storch Room
3301 Gun Club Road
West Palm Beach, FL 33406

Members Present:

Michael Collins

Charles Dauray

Shannon Estenoz

Patrick Rooney

1. Call to Order - Charles Dauray, Committee Chair

Chair Dauray called the meeting to order at 10:00 am.

Note: Shannon Estenoz arrived at 10:15 am.

2. Approval of Minutes

Approval of the February 13, 2008, meeting minutes held in West Palm Beach, Florida.

Motion made by Michael Collins, seconded by Patrick Rooney.

There were no changes to the agenda.

Motion made by Michael Collins, seconded by Patrick Rooney to approve the following item:(2). Vote called. Voting yes: Charles Dauray, Patrick Rooney, Michael Collins. Motion passed.

3. Changes to Agenda

There were no changes to the agenda.

4. FY06-07 Annual Audit Management Letter & Single Audit Discussion - Tony Brunson, Partner, Sharpton & Brunson, CPA's

Aaron Basinger provided introductory information on the annual audit for FY 2007.

Tony Brunson, Sharpton & Brunson, presented information on the scope of the Audit which included:

- Audit of Financial Statements Pursuant to Generally accepted auditing standards and government auditing standards.
- Review of Internal Controls Governing
- Financial Operations, as well as laws and regulations.
- Tests of compliance with major federal awards and state projects
- Audit in accordance with the provisions of Chapter 10.550, rules of Florida Auditor General.

Mr. Sharpton reported on the statement of financial position, the operating expenses for FY06 and FY07 and the results and comments of the audit.

Mr. Collins made a motion to accept the Annual Financial Audit for the Fiscal Year ended in September, seconded by Shannon Estenoz. Vote called. Voting yes: Charles Dauray, Patrick Rooney, Michael Collins. Motion passed.

Mr. Collins requested the Committee negotiate with Sharpton Brunson & Company to perform an audit of the enterprise resource planning system (SAP).

Mr. Collins made a motion to have the Inspector General negotiate with Sharpton Brunson & Company to perform an audit of enterprise resource planning system (SAP) seconded by Shannon Estenoz. Vote called. Voting yes: Charles Dauray, Patrick Rooney, Michael Collins. Motion passed.

Mr. Williams said he will meet with Sharpton Brunson & Company in order to provide a scope of work and funding for this audit. A special Audit & Finance Committee will be held in one month to discuss this audit.

5. General Engineering and Professional Services/Small Business Enterprise Program Update - Frank Hayden, Department Director, Procurement Department

Frank Hayden, Department Director, Procurement Department, presented an update on the Small Business Enterprise (SBE) program and the General Engineering and Professional services solicitation.

Mr. Hayden provided background information on the SBE program and results from implementing the Inspector General's audit recommendation on the General Engineering Services contracts.

The Committee commended staff for doing a great job implementing the SBE Program.

6. Implementation of Recommendations from Independent Review of Investment Policies and Strategies - Paul E. Dumars, Sr., Chief Financial Officer, Executive Office and Stephen Freilich, Treasurer, Executive Office

Paul Dumars, Chief Financial Officer, provided preliminary information on the independent review of investment policies and strategies. A memo was distributed detailing the staff's responses to all recommended changes.

Stephen Freilich, Treasurer, reported on the newly formed internal Treasury Investment Committee members and the meeting that was held on April 3rd.

Mr. Freilich also provided a brief review of the additional recommendations to investment policy changes and improvements to treasury-related investment activities.

Treasury staff will be distributing a newly revised investment policy for the Audit and Finance Committee's approval and ultimate adoption by the Board at the next Audit and Finance Committee meeting.

7. Modifications to Inspector General's Annual Audit Work Plan - John Williams, Inspector General

John Williams, presented information on the modifications for the FY2008 Audit Plan.

To add: Audit of SCADA Implementation and Operations.

To defer: Audit of the Vegetation Management Program.

Motion made by Michael Collins, seconded by Patrick Rooney to modify the Inspector General's Annual Audit as specified above. Vote called. Voting yes: Charles Dauray, Patrick Rooney, Michael Collins. Motion passed.

8. Inspector General's Office Update - John Williams, Inspector General

Mr. Williams presented an update on the Inspector General Office's audit and investigation activities.

9. Old Business / New Business

U.S. Army Corps of Engineers representative, Stuart Appelbaum, Deputy for Restoration Program Management, provided an update regarding in-kind credit approvals.

He reported they have worked through the backlog and the District and Corps have agreed on procedures for approving in-kind credit.

Mr. Appelbaum reported that \$150 million out of \$155 million of in-kind credit requested has been approved. The other 5 million has been deferred.

10. Public Comment

There was no public comment.

Mr. Dauray adjourned the meeting at 12:00 pm.

Charles Dauray
Chairman
Audit and Finance Committee

Recorded By:

Cathy Widness
Administrative Assistant Senior
Governing Board and Executive Services
SFWM