SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Audit Recommendations Follow-Up Report

For the Period July 1, 2026 Through September 30, 2026

Project #27-01

Prepared by
Office of Inspector General

J. Timothy Beirnes, CPA, Inspector General

sfwmd.gov

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Memorandum

To: Governing Board Members

From: J. Timothy Beirnes, CPA, Inspector General
Office of Inspector General

Date: October 21, 2026

Subject: Audit Recommendations Follow-Up Report -
For the Period July 1, 2026 through September 30, 2026
Project No. 27-01

This report was performed pursuant to the Inspector General's authority set forth in Section 20.055, F.S. Enclosed is the subject report that was conducted to assess the progress made in implementing audit recommendations.

In our efforts to continue to improve the audit process we utilize an audit recommendations tracking system as an integral part of monitoring the implementation status of audit recommendations. This system contains the basic audit information and recommendations. This system provides us with a vehicle to communicate and gather feedback on the status of the audit recommendations with the Governing Board, District management, and the audited organizational units.

Should you have any questions concerning the enclosed report, please feel free to call me at (561) 682-6398.

C: Drew Bartlett
Jennifer Smith
John Mitnik
Lucine Dadrian
Sirena Davila
Maricruz Fincher
Candida Heater
Suelynn Kirkland
Ana Carolina Maran
Akintunde Owosina
Jennifer Reynolds
Rich Virgil
Lourdes Woytek

TABLE OF CONTENTS

EXECUTIVE SUMMARY **1**

EXHIBIT 1: Summary of Recommendations Status **3**

EXHIBIT 2: Reports With Implementation of Recommendations in Progress **4**

EXHIBIT 3: Detail of In-Process and Partially Implemented Audit Recommendations **5**

EXECUTIVE SUMMARY

Audit recommendations target the economy and efficiency of District operations and compliance with our policies and statutory responsibilities. Our recommendations also focus on providing District management with suggestions that facilitate their achievement of program goals and objectives. To be effective, audit recommendations must be implemented. Additionally, *Government Auditing Standards* require following up on audit recommendations in previously issued audit reports. Accordingly, the Office of Inspector General has performed follow-up audit work since the office was established in 1996. Every quarter our office surveys departments to determine the implementation status of recommendations and to encourage their completion. This information is maintained in the Inspector General's audit recommendation tracking system. The system allows each audit staff member to update the recommendation's "status" after reviewing information provided by the departments and offices.

This report on the implementation status of audit recommendations is for the period July 1, 2026 through September 30, 2026 (the "Reporting Period"). As shown in Exhibit 1, as of June 30, 2026, for previously issued audit reports, 26 recommendations were not yet Fully Implemented. Three (3) of these recommendations were implemented during the current Reporting Period. In total from all reports, 23 recommendations were In-Process of being implemented as of September 30, 2026.

Following is a brief description of the attached exhibits:

- **Exhibit 1:** Displays a summary of recommendation statuses for all audit reports with recommendations in process of implementation. Exhibit 1 also shows the changes in the status of recommendations from the beginning of the period to the end of the period.
- **Exhibit 2:** Shows a summary of the changes in the status of recommendations by audit report. Exhibit 2 shows only those audit reports that contained one or more recommendations that had not been fully implemented at the beginning of the reporting period.
- **Exhibit 3:** Displays detail information regarding the status of each audit recommendation. This includes the status of the recommendation for the prior reporting period and the status at the end of the current period. The comment column provides narrative information regarding implementation progress.

EXHIBIT 1
Summary of Recommendations Status
As of September 30, 2026

	In Process	Partially Implemented	Total
Prior Period Reports			
Status Prior Period (June 30, 2026)	26	-	26
Implemented, Partially Implemented, or Status Changed to No Longer Applicable, During Period	(3)	-	(3)
Remaining Recommendations to be Fully Implemented	23	-	23
Recommendations from New Reports Issued			
New Recommendations*	-	-	-
Implemented or Partially Implemented	-	-	-
Remaining Recommendations to be Fully Implemented	-	-	-
Current Status			
Remaining Recommendations to be Fully Implemented	**23**	**-**	**23**

* Initial Status is set as "In-Process"

EXHIBIT 2
Audit Reports With Implementation of Recommendations in Progress
As of September 30, 2026

Audit No.	Audit Title	No. of Recs		In Process	Partially Implemented	No Longer Applicable	Implemented	
	Recommedations - Prior Period Reports							
18-08	Audit of Kissimmee River Restoration Project Cost Share for Land Acquisition Expenditures	19	Initial Status	1	0	0	18	Open
			Change in Status	0	0	0	0	
			Current Period Status	1	0	0	18	
22-24	Audit of Land Sales Proceeds	4	Initial Status	1	0	0	3	Open
			Change in Status	0	0	0	0	
			Current Period Status	1	0	0	3	
23-13	Audit of Investment Management	11	Initial Status	1	0	0	10	Complete
			Change in Status	-1	0	0	1	
			Current Period Status	0	0	0	11	
24-14	Audit of Operation, Maintenance, Repair, Replacement and Rehabilitation (OMRR&R) Cost Share	29	Initial Status	20	0	0	9	Open
			Change in Status	0	0	0	0	
			Current Period Status	20	0	0	9	
25-11	Audit of Fixed Assets Processes and Procedures	9	Initial Status	3	0	0	6	Open
			Change in Status	-2	0	0	2	
			Current Period Status	1	0	0	8	
	Recommendations from New Reports Issued							
	Recommendations - All Reports							
	TOTAL	72	Prior/Initial Status	26	0	0	46	
			Change in Status	-3	0	0	3	
			Status Current Period	23	0	0	49	
	Number of Recommendations Remaining to Be Fully Implemented	**23**		**23**	**0**			

EXHIBIT 3

Detail of In-Process and Partially Implemented Audit Recommendations
As of September 30, 2026

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
					Original	Current			
18-08	1	Audit of Kissimmee River Restoration Project Cost Share For Land Acquisition Expenditures	In Process	In Process	12/31/2019	12/31/2026	Expedite KRRP claim submittals to the USACE for acquired tracts not yet submitted, donations, and relocation costs.	Agreed. Workload has been shifted to delete 1 FTE full-time and 1 FTE part-time to submit the backing of claims (37 acquired tracts, 350 relocations and 50 donated tracts) within the next calendar year.	**(Note: See quarterly progress reports for pre-2026 report comments)** **December 31, 2025 update:** Delays in submitting final donation packages. USACE is currently expediting the review of several packages to determine if package content will be acceptable for remaining tracts. Remaining donation tract preparation and review will be completed and forwarded to USACE by March 31, 2026. USACE Smartsheets software is still in progress and is taking longer than original plans. **March 31, 2026 update**: Change in supervisor as well as update of procedure to allow for more efficient submissions has taken place. Previously we requested USACE to expedite review of packages to determine content acceptable and we have followed up at our bi-weekly meeting and still await final confirmation. 5 new/revised claims packages have been submitted for an additional amount of $4.475M+. USACE Smartsheets software still in progress. **6/30/2026 Update**: Bi-weekly coordination with the USACE Real Estate staff has been productive and cooperative as claim submittals continue the USACE. Continued cleanup of District data files has revealed the need to resubmit some older crediting claims to the District's benefit on the District side of the SFWMD/USACE ledger. During the first six months of 2026, 6 claims were submitted for a total claim amount of $9.382M. We anticipate completion of the 10+- remaining KRRP claims by the end of the 2026 calendar year. **9/30/2026 Update: Completion target remains on track for the end of December 2026.**

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
					Original	Current			
22-24	2	Audit of Land Sales Proceeds	In Process	In Process	9/30/2024	12/31/2026	Determine whether the $173,544 remitted to DEP as part of unspent surplus funds in the Water Management Land, Preservation 2000, and Florida Forever Trust Funds was remitted erroneously. If so, determine the appropriate action to resolve this issue.	Management concurs. February 26, 2024, this was discussed with DEP, and they requested a copy of the audit. Staff will work with DEP to try and resolve.	**October 2024 Update -** A copy of the Audit was provided and staff are still working with DEP. DEP is to discuss with Division of State Lands. **December 2024 Update** - There has been no change in the status of this finding**.** **March 31, 2025 Update** - There has been no change in the status of this finding. **June 30, 2025 Update** - There has been no change in the status of this finding. **September 30, 2025 Update**: Completion remains on track for 12/31/2025. **12/31/2025 Update:** There has been no change in the status of this finding **3/31/2026 Update**: There has been no change in the status of this finding **6/30/2026 Update:** There has been no change during this reporting period. However, staff is researching options to use alternative fund balances to offset the funds previously erroneously remitted to DEP. **9/30/2026 Update: There has been no change in the status of this finding. Staff will make a follow up request to DEP for guidance and assistance on finding a process for having the referenced funds returned to SFWMD.**

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
					Original	Current			
23-13	2	Audit of Investment Management	In Process	**Implemented**	9/30/2025	7/31/2026	The District should reconsider revising the Investment and Banking Policy regarding Agency Mortgage-Backed Securities (MBS) to explicitly address extension risk associated with · Lower the 50% maximum portfolio limit that can be invested in MBS. · Establishing enhanced guidelines for managing the potential impact of rising interest rates and lower prepayment speeds on MBS investments. · Setting more stringent average life maturity limits for MBS investments to mitigate the risk of holding extended-duration bonds during adverse market conditions.	Management agrees with the recommendation to revise the Investment and Banking Policy addressing investment options and portfolio diversification. By reducing the MBS proportion in support of a more conservative investment strategy, the District will protect against extension risk. Staff will evaluate current industry standards for the public sector. Additionally, the Accounting, Cash Management, and Treasury team will review quarterly scenario analysis on a bond-by-bond basis provided by brokers to determine changes to the impact of rising rates and lower prepayment speeds on cash flow for each MBS bond.	**September 30, 2025 Update**: Draft Policy and Procedure updates are being compiled for review, discussion, and feedback from the Audit and Finance Committee . The next scheduled committee meeting is in December, 2025. Upon review and input from the Audit and Finance Committee, staff will coordinate with Legal to implement revisions to Policy and Procedures in Municode. **December 31, 2025 Update**: Draft Policy and Procedure updates are being compiled for review, discussion, and feedback from the Audit and Finance Committee. Based on the priority of the refunding of the COPs Debt, the revisions will be presented at the next committee meeting after the accelerated February, 2026 committee meeting. Upon review and input from the Audit and Finance Committee, staff will coordinate with Legal to implement revisions to Policy and Procedures in Municode. The next Audit and Finance Committee meeting is scheduled for June, 2026 . **March 31, 2026 Update:** Draft Policy and Procedure updates have been compiled for review, discussion, and feedback from the Audit and Finance Committee at the next available meeting. **June 30, 2026 Update:** Policy updates have been prepared for review and approval at the July 9, 2026 SFWMD Governing Board meeting. Completion is planned for next reporting quarter upon GB approval and implementation in Municode. **September 30, 2026 Update: Complete** **The Policy update was approved by the GB at the July 9, 2026 meeting. Confirmed updates in Municode of Sections 110-84, 110-85, 110-87, 110-88, 110-91, 110-92, 110-94, and 110-98.**
24-14	1	Audit of OMRR&R Cost Share	In-Process	In-Process	12/15/2025	6/30/2026	Request reimbursement from the USACE for the $1,642,090 in unclaimed vehicle and equipment utilization costs for Fiscal Years 2019 to 2024.	Management agrees with the recommendation and will prepare the reimbursement request package.	**December 31, 2025 Update**: Invoice will be generated and will be submitted to the USACE under a separate cover letter in addition to the 1st Quarter invoice package. **March 31, 2026 Update:** Invoice will be generated and will be submitted to the USACE under a separate cover letter in addition to the 2nd Quarter invoice package. **June 30, 2026 Update:** Invoice 1800007994 has been created and will be submitted to the USACE under a separate cover after the 3rd Quarter invoice package is submitted. **September 30, 2026 Update: Invoice 1800007994 has been created and will be submitted to the USACE under a separate cover after the 3rd Quarter invoice package is submitted.**

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
					Original	Current			
24-14	2	Audit of OMRR&R Cost Share	In-Process	In-Process	9/30/2025	6/30/2026	Resubmit `a reimbursement request to the USACE for the $197,111 in unclaimed vehicle and equipment utilization costs for Fiscal Years 2016 to 2018.	Management agrees with the recommendation and will prepare the reimbursement request package.	**December 31, 2025 Update:** Multiple invoices previously submitted will be resubmitted to the USACE under a separate cover letter in addition to the 1st Quarter invoice package. **March 31, 2026 Update**: Multiple invoices previously submitted will be resubmitted to the USACE under a separate cover letter in addition to the 2nd Quarter invoice package. June 30, 2026 Update: Multiple invoices previously submitted will be resubmitted to the USACE under a separate cover letter after the 3rd Quarter invoice package is submitted. **September 30, 2026 Update: Multiple invoices previously submitted will be resubmitted to the USACE under a separate cover letter after the 3rd Quarter invoice package is submitted.**
24-14	4	Audit of OMRR&R Cost Share	In-Process	In-Process	Ongoing/ As Needed	Ongoing/ As Needed	The Finance Bureau should coordinate with the Information Technology's Business Services Section when there are issues with the Business Warehouse OMRR&R vehicle and equipment query.	Management agrees with the recommendation and will coordinate with the ITBS Section when there are issues with the BW OMRR&R vehicle and equipment query.	**December 31, 2025 Update**: Quarterly meetings with ITBS to test and confirm datasets are accurately exported as part of the BW reports by executing QA/QC checks between SAP & BW to verify datasets. **March 31, 2026 Update**: Quarterly meetings with ITBS to test and confirm datasets are accurately exported as part of the BW reports by executing QA/QC checks between SAP & BW to verify datasets. **June 30, 2026 Update:** Quarterly meetings with ITBS to test and confirm datasets are accurately exported as part of the BW reports by executing QA/QC checks between SAP & BW to verify datasets. **September 30, 2026 Update: Quarterly meetings with ITBS to test and confirm datasets are accurately exported as part of the BW reports by executing QA/QC checks between SAP & BW to verify datasets**.
24-14	8	Audit of OMRR&R Cost Share	In-Process	In-Process	9/30/2025	6/30/2026	Ensure reimbursements are requested for the Biscayne Bay Coastal Wetlands Phase 1 Project's S-706A, B, C, and S-708 culverts.	Management agrees with the recommendation and will request reimbursements for the Biscayne Bay Coastal Wetlands Phase 1 Project's S-706A, B, C, and S-708 culverts.	**December 31, 2025 Update:** These locations have been transferred to the District and will be included in quarterly invoice packages. **March 31, 2026 Update**: These locations have been transferred to the District and will be included in quarterly invoice packages. **June 30, 2026 Update:** These locations have been transferred to the District and will be included in quarterly invoice packages. **September 30, 2026 Update: These locations have been transferred to the District and will be included in quarterly invoice packages. Verification to be confirmed with submittal of 3rd and 4th Qtr packages.**

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
					Original	Current			
24-14	9	Audit of OMRR&R Cost Share	In-Process	In-Process	11/30/2025	6/30/2026	Determine whether reimbursement should be requested for the Biscayne Bay Coastal Wetlands Phase 1 Project's S-712A and S-712B culverts, which were transferred to the District in May 2018.	Management will review and discuss potential reimbursement requests with the grant project team.	**December 31, 2025 Update:** Management will review and discuss potential reimbursement requests with the grant project team including project managers and Budget Bureau team. **March 31, 2026 Update:** Management will review and discuss potential reimbursement requests with the grant project team including project managers and Budget Bureau team. **June 30, 20236 Update:** Management will review and discuss potential reimbursement requests with the grant project team including project managers and Budget Bureau team. **September 30, 20236 Update: Management will review and discuss potential reimbursement requests with the grant project team including project managers and Budget Bureau team.**
24-14	12	Audit of OMRR&R Cost Share	In-Process	In-Process	Ongoing/ As Needed	6/30/2026	Ensure that Land Resources Bureau's Vegetation Management Section staff who work on the Melaleuca Eradication and Other Exotic Plants (Grant 3005) project to charge all time worked to the proper account codes.	Management agrees with the recommendation and will coordinate with the Vegetation Management Section to ensure staff time appropriately charges to the project/grant.	**December 31, 2025 Update:** This task will be added to the checklist during Quarterly Invoice Package development. **March 31, 2026 Update:** This task will be added to the checklist during Quarterly Invoice Package development. **June 30, 2026 Update:** This task has been added to the checklist during Quarterly Invoice Package development. **September 30, 20236 Update: Management will review and discuss potential reimbursement requests with the grant project team including project managers and Budget Bureau team.**
24-14	13	Audit of OMRR&R Cost Share	In-Process	In-Process	Ongoing	9/30/2026	Consult with the Information Technology's Business Services Section to determine whether indirect rates can be incorporated in the BW OMRR&R reimbursement report. If not feasible, the Finance Bureau should consider the following steps to ensure the correct indirect rate is used to calculate indirect expense reimbursements: Ø *Determine fringe rate used on the Business Warehouse OMRR&R report,* Ø *Review USACE approved rate letters to determine the source of the fringe rate on the report,* Ø *Use the indirect rate indicated on the matching letter.*	Management agrees with the recommendation and will consult with the ITBS Section to determine whether indirect rates can be incorporated in the BW reports.	**December 31, 2025 Update:** Consultation with the ITBS Section is forthcoming. Update the process to include annual update of the approved Indirect Cost Rate into the Quarterly Invoice Package working papers; including receipt of the approval letter from ACOE. **March 31, 2026 Update:** Consultation with the ITBS Section is forthcoming. Update the process to include annual update of the approved Indirect Cost Rate into the Quarterly Invoice Package working papers; including receipt of the approval letter from ACOE. **June 30, 2026 Update:** Consultation with the ITBS Section is forthcoming. Update the process to include annual update of the approved Indirect Cost Rate into the Quarterly Invoice Package working papers; including receipt of the approval letter from ACOE. **September 30, 2026 Update: Consultation with the ITBS Section is forthcoming. Update the process to include annual update of the approved Indirect Cost Rate into the Quarterly Invoice Package working papers; including receipt of the approval letter from ACOE.**

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
					Original	Current			
24-14	17	Audit of OMRR&R Cost Share	In-Process	In-Process	9/15/2025	6/30/2026	Request the $171,883 in reimbursements from the USACE for the Caloosahatchee River (C-43) West Basin Storage's S-476 Pump Station unclaimed Fiscal Year 2021 and Fiscal Year 2022 expenses.	Management agrees with the recommendation and will request $171,883 in reimbursements for the Caloosahatchee River (C-43) West Basin Storage's S-476 Pump Station unclaimed FY2021 and FY2022 expenses.	**December 31, 2025 Update**: Invoice #1800007477 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 1st Quarter invoice package. **March 31, 2026 Update**: Invoice #1800007477 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 3rd Quarter invoice package. **June 30, 2026 Update:** Invoice #1800007477 has been generated and will be submitted to the USACE under a separate cover letter to be submitted after the 3rd Quarter invoice package. **September 30, 2026 Update: Invoice #1800007477 has been generated and will be submitted to the USACE under a separate cover letter to be submitted after the 3rd Quarter invoice package.**
24-14	18	Audit of OMRR&R Cost Share	In-Process	In-Process	9/15/2025	6/30/2026	Request the $55,163 in reimbursements from the USACE for the 3rd and 4th quarters of Fiscal Year 2020 for the Picayune Strand Restoration Project's Miller Pump Station.	Management agrees with the recommendation and will request $55,163 for 3rd and 4th quarters of FY2020 for the Picayune Strand Restoration Project's Miller Pump Station.	**December 31, 2025 Update:** Invoice #1800007476 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 1st Quarter invoice package. **March 31, 2026 Update:** Invoice #1800007476 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 3rd Quarter invoice package. **June 30, 2026 Update:** Invoice #1800007476 has been generated and will be submitted to the USACE under a separate cover letter to be submitted after the 3rd Quarter invoice package. **September 30, 2026 Update: Invoice #1800007476 has been generated and will be submitted to the USACE under a separate cover letter to be submitted after the 3rd Quarter invoice package.**
24-14	19	Audit of OMRR&R Cost Share	In-Process	In-Process	9/15/2025	6/30/2026	Request the $100,213 in unclaimed reimbursements from the USACE for the Picayune Strand Restoration Project's Pump Station S488 expenses incurred during the 1st quarter of Fiscal Year 2021.	Management agrees with the recommendation and will request $100,213 in unclaimed reimbursements for Picayune Strand Restoration Project's Pump Station S488 expenses incurred during the 1st quarter of FY2021.	**December 31, 2025 Update:** Invoice #1800007478 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 1st Quarter invoice package. **March 31, 2026 Update:** Invoice #1800007478 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 3rd Quarter invoice package. **June 30, 2026 Update:** Invoice #1800007478 has been generated and will be submitted to the USACE under a separate cover letter after the 3rd Quarter invoice package. **September 30, 2026 Update: Invoice #1800007478 has been generated and will be submitted to the USACE under a separate cover letter after the 3rd Quarter invoice package.**

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
					Original	Current			
24-14	20	Audit of OMRR&R Cost Share	In-Process	In-Process	9/15/2025	6/30/2026	Request the $177,696 in unclaimed reimbursements from the USACE in reimbursements for the “unassigned” Fiscal Year 2021, 2022, and 2023 expenses.	Management agrees with the recommendation and will request $177,696 in unclaimed reimbursements for “unassigned” Fiscal Years 2021, 2022, and 2023 expenses.	**December 31, 2025 Update:** Invoice #1800007479 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 1st Quarter invoice package. **March 31, 2026 Update:** Invoice #1800007479 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 3rd Quarter invoice package. **June 30, 2026 Update:** Invoice #1800007479 has been generated and will be submitted to the USACE under a separate cover letter to be submitted after the 3rd Quarter invoice package. **September 30, 2026 Update: Invoice #1800007479 has been generated and will be submitted to the USACE under a separate cover letter to be submitted after the 3rd Quarter invoice package**.
24-14	21	Audit of OMRR&R Cost Share	In-Process	In-Process	9/15/2025	6/30/2026	Request the $97,993 in reimbursements from the USACE for the unclaimed salary and overtime expenses due to adjustments after reimbursement was requested.	Management agrees with the recommendation and will request $97,993 for the unclaimed salary and overtime expenses due to adjustments after prior submittal.	**December 31, 2025 Update**: Invoice will be generated and will be submitted to the USACE under a separate cover letter in addition to the 1st Quarter invoice package. **March 31, 2026 Update**: Invoice will be generated and will be submitted to the USACE under a separate cover letter in addition to the 3rd Quarter invoice package. **June 30, 2026 Update:** Invoice 1800008068 has been generated and will be submitted to the USACE under a separate cover letter after the 3rd Quarter invoice package. **September 30, 2026 Update: Invoice 1800008068 has been generated and will be submitted to the USACE under a separate cover letter after the 3rd Quarter invoice package.**
24-14	22	Audit of OMRR&R Cost Share	In-Process	In-Process	9/15/2025	6/30/2026	Request the $32,262 due to incorrect calculations using lower than approved reimbursement percentages.	Management agrees with the recommendation and will request $32,262 due to incorrect calculations, using lower than approved reimbursement percentages.	**December 31, 2025 Update**: Invoice #1800007480 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 1st Quarter invoice package. **March 31, 2026 Update**: Invoice #1800007480 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 3rd Quarter invoice package. **June 30, 2026 Update:** Invoice #1800007480 has been generated and will be submitted to the USACE under a separate cover letter to be submitted after the 3rd Quarter invoice package. **September 30, 2026 Update: Invoice #1800007480 has been generated and will be submitted to the USACE under a separate cover letter to be submitted after the 3rd Quarter invoice package.**

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
					Original	Current			
24-14	23	Audit of OMRR&R Cost Share	In-Process	In-Process	9/15/2025	6/30/2026	Request the $5,760 due to incorrect depreciation calculations.	Management agrees with the recommendation and will request $5,750 due to incorrect depreciation calculations.	**December 31, 2025 Update**: Invoice #1800007485 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 1st Quarter invoice package. **March 31, 2026 Update:** Invoice #1800007485 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 3rd Quarter invoice package. **June 30, 2026 Update:** Invoice #1800007485 has been generated and will be submitted to the USACE under a separate cover letter to be submitted after the 3rd Quarter invoice package. **September 30, 2026 Update: Invoice #1800007485 has been generated and will be submitted to the USACE under a separate cover letter to be submitted after the 3rd Quarter invoice package.**
24-14	24	Audit of OMRR&R Cost Share	In-Process	In-Process	9/15/2025	6/30/2026	Request the $5,835 due the unclaimed salary expenses related to the Melaleuca Eradication and Other Exotic Plants – Implement Biological Controls project.	Management agrees with the recommendation and will request $5,835 for unclaimed salary expenses related to the Melaleuca Eradication and Other Exotic Plants.	**December 31, 2025 Update:** Invoice #1800007496 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 1st Quarter invoice package. This invoice is limited to the allowable reimbursement annually of $330,768. **March 31, 2026 Update**: Invoice #1800007496 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 3rd Quarter invoice package. This invoice is limited to the allowable reimbursement annually of $330,768. **June 30, 2026 Update:** Invoice #1800007496 has been generated and will be submitted to the USACE under a separate cover letter in 3rd Quarter invoice package. This invoice is limited to the allowable reimbursement annually of $330,768. **September 30, 2026 Update: Invoice #1800007496 has been generated and will be submitted to the USACE under a separate cover letter in 3rd Quarter invoice package. This invoice is limited to the allowable reimbursement annually of $330,768.**
24-14	25	Audit of OMRR&R Cost Share	In-Process	In-Process	9/15/2025	6/30/2026	Request the $4,266 due to use of incorrect indirect cost percentages.	Management agrees with the recommendation and will request $4,266 due to use of incorrect indirect cost percentages.	**December 31, 2025 Update:** Invoice #1800007488 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 1st Quarter invoice package. **March 31, 2026 Update:** Invoice #1800007488 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 3rd Quarter invoice package. **June 30, 2026 Update:** Invoice #1800007488 has been generated and will be submitted to the USACE under a separate cover letter to be submitted after the 3rd Quarter invoice package. **September 30, 2026 Update: Invoice #1800007488 has been generated and will be submitted to the USACE under a separate cover letter to be submitted after the 3rd Quarter invoice package.**

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
					Original	Current			
24-14	26	Audit of OMRR&R Cost Share	In-Process	In-Process	9/15/2025	6/30/2026	Request the $250 due to unclaimed miscellaneous inventory and salary.	Management agrees with the recommendation and will request $250 for unclaimed miscellaneous inventory and salary.	**December 31, 2025 Update:** Invoice #1800007489 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 1st Quarter invoice package. **March 31, 2026 Update:** Invoice #1800007489 has been generated and will be submitted to the USACE under a separate cover letter in addition to the 3rd Quarter invoice package. **June 30, 2026 Update:** Invoice #1800007489 has been generated and will be submitted to the USACE under a separate cover letter to be submitted after the 3rd Quarter invoice package. **September 30, 2026 Update: Invoice #1800007489 has been generated and will be submitted to the USACE under a separate cover letter to be submitted after the 3rd Quarter invoice package.**
24-14	27	Audit of OMRR&R Cost Share	In-Process	In-Process	9/15/2025	6/30/2026	Credit the USACE $22,667 for overstated reimbursements due to indirect expenses.	Management agrees with the recommendation and will credit the USACE $22,667 for overstated reimbursements due to indirect expenses.	**December 31, 2025 Update:** Credit Memo Invoice to be generated and submitted to the USACE under a separate cover letter in addition to the 1st Quarter invoice package. **March 31, 2026 Update:** Credit Memo Invoice to be generated and submitted to the USACE under a separate cover letter in addition to the 3rd Quarter invoice package. **June 30,2026 Update:** Credit Memo 1600000255 Invoice has been generated and will be submitted to the USACE under a separate cover letter after the 3rd Quarter invoice package. **September 30,2026 Update: Credit Memo 1600000255 Invoice has been generated and will be submitted to the USACE under a separate cover letter after the 3rd Quarter invoice package.**
24-14	28	Audit of OMRR&R Cost Share	In-Process	In-Process	9/15/2025	6/30/2026	Credit the USACE $17,895 for overstated reimbursements due to overstated salary expenses.	Management agrees with the recommendation and will credit the USACE $17,895 for overstated reimbursements due to overstated salary expenses.	**December 31, 2025 Update:** Credit Memo Invoice to be generated and submitted to the USACE under a separate cover letter in addition to the 1st Quarter invoice package. **March 31, 2026 Update:** Credit Memo Invoice to be generated and submitted to the USACE under a separate cover letter in addition to the 3rd Quarter invoice package. **June 30,2026 Update:** Credit Memo 1600000256 Invoice has been generated and will be submitted to the USACE under a separate cover letter after the 3rd Quarter invoice package. **September 30,2026 Update: Credit Memo 1600000256 Invoice has been generated and will be submitted to the USACE under a separate cover letter after the 3rd Quarter invoice package.**

Audit No.	Rec No.	Audit Title	Status Prior Report	Status Current Report	Due Date		Recommendation	Management Response	Current Period Comments Regarding Status
					Original	Current			
24-14	29	Audit of OMRR&R Cost Share	In-Process	In-Process	9/15/2025	6/30/2026	Credit the USACE $396 for overstated reimbursements due to miscellaneous costs.	Management agrees with recommendation. and will credit the USACE $396 for overstated reimbursements due to miscellaneous costs.	**December 31, 2025 Update:** Credit Memo Invoice to be generated and submitted to the USACE under a separate cover letter in addition to the 1st Quarter invoice package. **March 31, 2026 Update:** Credit Memo Invoice to be generated and submitted to the USACE under a separate cover letter in addition to the 3rd Quarter invoice package. **June 30,2026 Update:** Credit Memo 1600000257 Invoice has been generated and will be submitted to the USACE under a separate cover letter after the 3rd Quarter invoice package. **September 30,2026 Update: Credit Memo 1600000257 Invoice has been generated and will be submitted to the USACE under a separate cover letter after the 3rd Quarter invoice package.**
25-11	1	Audit of Fixed Assets Processes and Procedures	In-Process	**Implemented**	6/30/2026	6/30/2026	The Asset Management Team should revise the "Asset Property Management Training" and related procedure documents to clearly indicate that the "End of Life Procedure – Stolen, Vandalized, Loss" applies to attractive items. This clarification will help ensure consistency in how divisions manage the loss or theft of attractive items, support proper accountability, and reinforce compliance with statutory requirements.	Management agrees with the recommendation to update the training documentation and highlight the updates in the next training session.	**June 30, 2026 Update:** Training material updated (Slide 93) and was highlighted in latest training session performed with District property clerks. **September 30, 2026 Update: Complete**
25-11	2	Audit of Fixed Assets Processes and Procedures	In-Process	**Implemented**	6/30/2026	6/30/2026	Asset Management leadership should reemphasize the requirement to capture serial numbers at the time of the asset master record creation during training sessions and communications with users responsible for goods receipt and asset entry.	Management agrees with the recommendation to update the training documentation and highlight the updates in the next training session.	**June 30, 2026 Update:** Training material updated (Slide 9) and was highlighted in latest training session performed with District property clerks. **September 30, 2026 Update: Complete**
25-11	4	Audit of Fixed Assets Processes and Procedures	In-Process	In-Process	9/30/2026	9/30/2026	Periodic monitoring or exception reports should be implemented to identify asset records that lack critical fields such as serial number or model number so that corrective action can be taken proactively.	Management agrees with the recommendation to create a monitoring exceptions report. Staff will discuss development of reporting components available with SAP support team.	**June 30, 2026 Update:** Discussions with SAP support team occurred, Asset Team will run bi-annual reports to verify fields are populated. **September 30, 2026 Update: Asset Team is coordinating with SAP Support to test and document reporting components for the bi-annual reporting schedule. Completion date updated to March 31, 2027 while SAP support completes the migration project scheduled by end of 2026**