

MANATEE COUNTY CLERK OF THE CIRCUIT COURT

INTERNAL AUDIT DEPARTMENT

TRANSPORTATION DEPARTMENT

STORMWATER MANAGEMENT DIVISION AUDIT

A U D I T R E P O R T

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STORMWATER MANAGEMENT DIVISION AUDIT

A U D I T R E P O R T

The Internal Audit Department conducted an audit of the Stormwater Management Division for the audit period June 1, 1997 through December 31, 1998. The audit was performed in accordance with *Generally*

Accepted Governmental Auditing Standards, issued by the Comptroller General of the United States; and the *Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors.

BACKGROUND:

The Stormwater Management Division is a division under the Transportation Department and is comprised of the Stormwater Operations and the Stormwater Management Sections. The responsibilities of each of these sections are as follows:

The Stormwater Operations Section is responsible for maintaining and certifying that the flood carrying capacity of the system is protected. The Section maintains approximately 1700 miles of major drainage canals and performs the following functions:

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- Repairs and/or replaces drainage structures,
- Cleans major drainage structures by mechanical means,
- Sprays with herbicides to control growth of undesirable plant life in drainage canals,
- Performs dredging of county-wide silt basins, and
- Manually removes trash and debris from ditch/canal systems where access is limited.

The Stormwater Management Section is responsible for developing and implementing the Stormwater Management Plan. The Section performs the following functions:

- Develops a schedule of stormwater drainage projects as required by the Comprehensive Plan,
- Consults with Stormwater Maintenance on minor drainage improvement projects,
- Carries out floodplain analysis and reviews land development within FEMA 100 year floodway,

- Performs engineering services for in-house stormwater projects as approved by the Board,
- Oversees the countywide NPDES (EPA) permit for stormwater management systems,
- Reviews proposed private/public land development within Manatee County, and
- Write grants proposals.

PURPOSE/OBJECTIVE:

The financial component of the audit consisted of verifying the accuracy and appropriateness of revenues received, verifying the existence of competition for purchases under \$500, and verifying the reasonableness of expenditures incurred for long distances phone calls, pagers, and cellular telephones.

The compliance component of the audit consisted of verifying compliance with the following: Personnel Policies, Rules and Procedures Manual; State record retention requirements; Florida Statutes 163.3177, 163.3202, 369.20, 369.22, and 403.813; Attorney General Opinion 82-018; Florida Administrative Code 62-40.450, 40D-4.051(12), and 40D-400; Land Development Code Section 717; the Comprehensive Plan Sections 3.2.1.6, 3.2.1.7, 4.1.3.1, 4.1.5.3, 5.3.2.2, and Section 9.4.1 through 9.4.5.3; Ordinance 91-25; EPA National Pollutant Discharge Elimination System Permit (NPDES)-Municipal Separate Storm Sewer System; the Department of Environmental Protection (DEP) Aquatic Plant Control Permit; inter-local agreements for NPDES MS4 Part I and II permit; the contract for professional services for a Stormwater Management Master Plan; and the agreement for procuring services to develop the 25 year floodplain with the South West Florida Water Management District (SWFWMD).

The operational component of the audit consisted of verifying an adequate system of internal control exists to safeguard assets, maintain the integrity of reports on operations, and provide adequate evaluation of programs' objectives and responsibilities. In addition, an evaluation of the Division's operational efficiency and effectiveness was performed by reviewing organizational charts, Policies and Procedures Manuals, and controls over the facility's access.

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SCOPE:

The financial audit scope consisted of a review of accounts, financial transactions, and reports of the Stormwater Management Division for the period June 1, 1997 through May 31, 1998.

The compliance audit scope consisted of a review of compliance to the policies and procedures, Florida Statutes, federal regulations, ordinances, resolutions, contracts, agreements related to the Stormwater Management Division that were in effect during the period June 1, 1997 through May 31, 1998. Compliance test work was performed through December 31, 1998.

The operational audit scope consisted of a review of the Stormwater Management Division's internal controls and the effectiveness and efficiency of the operations during the audit period June 1, 1997 through December 31, 1998. Management controls were also reviewed to identify significant weaknesses that may have contributed to deficient performance.

METHODOLOGY:

Internal control evaluations were accomplished by flow charting the key operations of this specified area, discussions with management and staff, observations, and analytical and substantive testing of individual internal controls. Risk analysis was used to establish priorities of audit objectives.

IRREGULARITIES, ABUSE, OR ILLEGAL ACTS:

No indications of irregularities, abuse, or illegal acts were discovered during the audit that could affect the Stormwater Management Division for the audit period ending December 31, 1998.

TEST OF COMPLIANCE:

Internal Audit tested compliance certain laws and regulations, obtained an understanding of internal controls and assessed control risk. Tests performed appeared to provide sufficient evidence that support an opinion on compliance and internal controls.

Except as noted in our audit report, tested items were in compliance with ordinances, resolutions, and other policies established by the Stormwater Management Division.

STATEMENT ON INTERNAL CONTROL STRUCTURE:

In planning and performing the audit of the Stormwater Management Division for the period ending December 31, 1998, the internal control structure was considered in order to determine the auditing procedures for the purpose of this report. As a result, we noted in the audit report significant matters involving the internal control structure and its operations that are considered reportable conditions under standards established by the U.S. General Accounting Office, *Government Auditing Standards*. Reportable conditions involve matters relating to significant deficiencies in the design or operation of the internal control structure, that in our judgment, could adversely affect the organization's ability to record, process, summarize and report on data consistent with management's intentions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions, as defined above. In addition, because of the inherent limitations in any internal control structure, significant deficiencies in the design or operation of the internal control structure may exist and not be detected. We believe the conditions identified in our audit report constitute reportable conditions as previously defined.

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MANAGEMENT TEAM AND MANAGEMENT ACTION PLAN:

A Management Action Plan will be used for each Area of Improvement reported. Management Action Plans are corrective actions with implementation dates developed in cooperation with the Department's Management Team and the Internal Audit Department. The Management Team includes the Director of the Transportation Department and Stormwater Management Division Manager.

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MANAGEMENT SUMMARY:

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The Stormwater Management Division is staffed by hard-working employees who are dedicated to the Division's operations. Based on the audit performed, it appears that the Division is effectively responding to immediate problems and performing regular maintenance on Manatee County's stormwater management system. During the past year, with the addition of more equipment and employees, the Division has been able to implement a scheduled maintenance program. The implementation of this program has improved the Division's ability to prioritize their work schedule and take a more preventative approach to stormwater maintenance.

During the review of the operational records, it was noted that not all of the maintenance activity records are automated. A database, which integrates the maintenance activity records of all the sections within the Division, would provide information of maintenance activities that have taken place at specific locations within the system. Management through its Management Action Plan is in the process of purchasing a new software program to automate activity records for all the divisions within the Transportation Department.

(See Area for Improvement #1 on page 7.)

The goal of an effective countywide stormwater management program that prevents flooding and reduces pollutants in stormwater runoff is complex and probably not achievable without substantial commitment to capital improvements. This goal is further complicated by multiple municipal jurisdictions within individual drainage basins, new development, and private as well as public land included in the basins. The Manatee County Board of County Commissioners has expressed a desire to achieve this goal through Ordinance 91-25 and the Manatee County Comprehensive Plan. The Ordinance authorized funding sources to accomplish the objectives detailed in the Ordinance and the Manatee County Comprehensive

Plan; however, no specific funding mechanism has been approved. As a result, the Division has not been able to comply with certain sections of the Ordinance and the Manatee County Comprehensive Plan.

Management has obtained a study that identified and prioritized the major basins in Manatee County. They have further proceeded to contract with a consulting firm to develop alternative plans for improvements on the highest priority basin, and to determine the costs that will be needed so that future funding mechanisms can be established. The option chosen by the Board County Commissioners will provide a benchmark for future improvements to the remaining basins, establish funding sources, and provide a direction for the County's stormwater management program. At that time, management through its Management Action Plan will revisit Ordinance 91-25 as well as the related sections from the Comprehensive Plan and make necessary amendments to comply with the Board's future intentions regarding the priorities and responsibilities of the Stormwater Management Division.

(See Area for Improvement #2 on page 7.)

We appreciate the efforts of the Stormwater Management Division in addressing the issues raised during the audit. We believe through the implementation of the Management Action Plans included in this report, the Division will be given the direction needed to implement the goals and objectives of the Board of County Commissioners.

AUDIT REPORT AUTHORIZATION:

This audit report has been reviewed and authorized by:

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Richard J. Orienti, CIA, CFE

Director of Internal Audit

R. B. "Chips" Shore

Clerk of the Circuit Court and Comptroller

AREA FOR IMPROVEMENT

#1.....

Subject: Automation of Operational Records

All maintenance activity records of the Stormwater Management Division are not automated. Operations of the Division are divided into three sections: Aquatic Plant Control, Maintenance, and Road Gang. Maintenance and inspection activities performed on the Stormwater system may involve any one, or all three of these sections. Currently, no database exists which integrates the maintenance activity records of all the sections to reflect all of the work performed by the Division. Of the three sections, only Aquatic Plant Control activity records are computerized and recorded by the location where the work was performed, as well as the date the work was performed. All other maintenance and inspection activities are manually documented on daily reports and filed only by the date work was performed, making it difficult to determine what maintenance activity has taken place at a specific location within the system.

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Management Action Plan:

- The Transportation Department is in the process of automating all of its divisions' work activity records. The Department is currently working with the Purchasing Division in developing a contract with a software company. Implementation will begin with the Highway Division and proceed to the other divisions under the Transportation Department. The Stormwater Management Division is expected to begin automation of its records in July 2001.

AREA FOR IMPROVEMENT #2

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Subject: Compliance with the Ordinance 91-25 and Manatee County Comprehensive Plan

Ordinance 91-25 established a unified countywide stormwater management system and authorized funding mechanisms for financing the system. The Ordinance and certain sections of the County's Comprehensive Plan provided that revenues from the funding source be used for:

1. Planning, developing and implementing stormwater management plans;
2. Maintaining, inspecting and managing stormwater facilities;
3. Ensuring that the owners of private stormwater systems clean and maintain the facilities to ensure efficient and proper operation;
4. Correcting deficiencies and making improvements to drainage facilities necessary to accommodate additional development in Manatee County;
5. Monitoring water quality. To date, no stormwater funding mechanism has been approved. As a result, it has not been possible for the Division to meet all of these responsibilities. The Stormwater Management Division has obtained a limited amount of grant funding for which they have completed a prioritization study on the basins of Manatee County. They have currently hired a consulting firm to master plan the improvements required on the first basin. The Division currently does not have funding to implement any improvements.

Management Action Plan:

Upon completion of the Master Plan, a presentation will be made to the Board of County Commissioners containing recommendations of various costs and levels of service to improve the first basin. The decision made by the Board of County Commissioners will provide a benchmark for future improvements to the remaining basins, establish funding sources, and provide a direction for the County's stormwater management program. At that time, the Division will revisit Ordinance 91-25 as well as the related sections from the Comprehensive Plan and make necessary amendments to comply with the Board's future intentions regarding the priorities and responsibilities of the Stormwater

Management Division. The presentation to the Board of County Commissioners is anticipated by December 31, 2000.