

Northwest Florida Water Management District



ANNUAL REPORT OF DISTRICT INSPECTOR GENERAL ACTIVITIES

**For the Fiscal Year Ending
September 30, 2025**

September 30, 2025

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Governing Board
Northwest Florida Water Management District
81 Water Management Drive
Havana, Florida 32333

Pursuant to Section 20.055(8), Florida Statutes, we are pleased to present this Annual Report of District Inspector General Activities for the fiscal year ending September 30, 2025. Thank you for the opportunity to work with the Board, management, and staff in promoting accountability, integrity, and efficiency at the District.

If you have any questions regarding this Annual Report, please contact Sam McCall, CPA, CIG, CIA; or Geoffrey Adams, CPA, CISA, CFE.

Sincerely,



LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
September 30, 2025

NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
ANNUAL REPORT OF DISTRICT INSPECTOR GENERAL ACTIVITIES
September 30, 2025

INTRODUCTION

On May 1, 2018, the Northwest Florida Water Management District (the District) entered into an agreement with Law, Redd, Crona & Munroe, P.A. (Law Redd) to provide District Inspector General Services pursuant to the provisions of Sections 373.079(4)(b), and 20.055, Florida Statutes, and serve as a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in the District. In accordance with the contract requirements and Section 373.079(4)(b), Florida Statutes, the Inspector General reports directly to the Governing Board, thereby providing the organizational independence necessary to perform all statutory responsibilities. Sam M. McCall, CPA, CIG, CIA, serves as Inspector General for the District under the contract with Law Redd.

Law Redd, under the direction of the District Inspector General, is to:

- Conduct financial, compliance, electronic data processing, and performance audits of the District and prepare audit reports of its findings.
- Initiate, conduct, supervise, and coordinate investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses in District operations.
- Not later than September 30 of each year, prepare an annual report to the Board summarizing the activities of the Inspector General during the District's immediately preceding fiscal year.
- Self-report to the Board any written complaints, should they arise, that concern inappropriate actions or allegations of misconduct related to the duties and responsibilities of the District Inspector General or Law Redd at the District.

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ASSIGNED STAFF

During the fiscal year ending September 30, 2025, the following Law Redd personnel worked on District Inspector General activities:

Name	Position	Certifications
Sam M. McCall	District Inspector General	Certified Public Accountant Certified Inspector General Certified Internal Auditor
Dana Powell	Managing Partner	Certified Public Accountant
Delia Finnerty	Partner	Certified Public Accountant
Adams Hooker	Partner	Certified Public Accountant
Jon Ingram	Partner/Information Technology Audit Manager	Certified Public Accountant Certified Information Systems Auditor
Geoffrey Adams	Information Technology Audit Manager	Certified Public Accountant Certified Information Systems Auditor Certified Fraud Examiner
Darryl Rudell	Auditor	

INSPECTOR GENERAL ACTIVITIES

Law Redd and the District Inspector General completed the following activities during the year:

- Completed a risk assessment and, based on the results of the risk assessment, prepared a concise internal audit plan for the three fiscal years ending September 30, 2027, and a detailed internal audit plan for the fiscal year ending September 30, 2025. The audit plans were approved by the Governing Board on December 12, 2024.
- Completed four internal audits, as described in the following section.
- Provided additional value-added services, described below, that were beyond contract requirements.

During the fiscal year, the District Inspector General did not receive any complaints relating to District operations and did not initiate or conduct any investigations.

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INTERNAL AUDITS COMPLETED IN 2024-2025¹

Report No. 25-01, Internal Audit of Selected Controls over the District's Online Payment Portal and Timber Sales Revenues

This audit focused on the District's payment portal, which is accessed via the District's website. The portal is used to receive payments for timber sales, ad valorem taxes, bid/performance deposits, contract invoice payments, and fine and settlement payments. Ninety-eight percent of the dollars received via the portal through the audit scope, from July 1, 2023, to May 31, 2024, were from timber sales.

We concluded that the District has established procedures for identifying and verifying electronic receipts accepted through the Online Payment Portal, recording receipts in the general ledger, and reconciling recorded Portal receipts to the bank. For the Portal receipts and monthly reconciliations included in the scope of our testing, we concluded that the District followed its procedures.

We observed that the District follows a formal bid process for establishing timber sales agreements with timber companies and monitors timber harvests from removal through milling, settlement, and payment to the District. For the timber sales agreements included in the scope of our testing, we concluded that the District followed its timber sales contracting and monitoring processes.

We noted opportunities for the District to improve its documentation supporting land management staff recommendations to seek agreements with timber companies to harvest timber within tracts on District-owned lands.

Report No. 25-02, Internal Audit of Procurement and Management of Contracts For Professional and Other Contractual Services

This audit focused on the District's policies and procedures over contract procurement and management, and to test the District's compliance with written policies and procedures relating to the procurement and management of contracts for professional and other contractual services and governing laws. The scope of this audit included a review of the District's contracts that were active on January 16, 2025.

Based on the results of our audit procedures, we concluded that, for the contracts included in our testing, the District's contract files and other documentation were complete and demonstrated compliance with the District's contract procurement and management policies, procedures, and applicable provisions of Chapter 287, Florida Statutes.

¹ An internal audit of the District's Cybersecurity Detect, Respond, Recover components was in progress on September 30, 2025, and is expected to be completed early in the 2025-2026 contract year.

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Report No. 25-03, Follow-up Report on District Corrective Actions Regarding Auditor General Report No. 2025-015

This audit focused on determining the status of corrective action taken by the District to address the finding and recommendation in the Auditor General's Report No. 2025-015. The scope of our follow-up activities focused on District actions taken to address the finding and recommendation made by the Auditor General regarding procedures for informing agricultural producers of opportunities to obtain Agricultural Cost-Share Program funding when multiple family members are part of the farming operation.

For this follow-up audit, we concluded that District management has corrected the finding and implemented the recommendation in the Auditor General's report.

Report No. 25-04, Follow-up Report on District Corrective Actions Regarding Prior Internal Audit Findings

This audit focused on determining the status of corrective actions taken by the District to address the findings and recommendations reported through September 30, 2024. All the prior findings included in the scope of this audit related to Internal Audit Report 24-01, which is a report on the Internal Audit of The District's Identify and Protect Cybersecurity Control Component Categories.

For this follow-up audit, we concluded that the District has corrected one of the seven previously reported audit findings, has deferred acting on one finding due to a lack of resources, and corrective action is in progress for the other findings.

The content of the original report, which we provided to District management, is confidential and exempt from public disclosure pursuant to Section 119.0725, Florida Statutes.

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ADDITIONAL SERVICES PROVIDED IN 2024-2025

During the contract year, Law Redd provided the following value-added services to the District that were in addition to planned audits:

- During the fall of 2024, a thorough review was performed of Section 20.055, Florida Statutes, the Florida Inspector General Act, for any needed changes. As a result, additions, clarifications, and improvements were made to the District Internal Audit Charter to more closely align with the law. Changes were discussed with the Director of the Division of Administrative Services, and the Charter was subsequently approved by the Governing Board.
- The District Inspector General has and continues to maintain contact with the Florida Department of Environmental Protection Inspector General and the Governor's Chief Inspector General to keep current on any proposed changes in Florida Law relating to new audit issues or proposed changes relating to the statutory responsibilities of Inspectors General. In addition, the District Inspector General, who also serves as the Inspector General of the Suwannee River Water Management District, maintains contact with the Inspectors General of the St Johns River Water Management District and the Southwest Florida Water Management District. Such contact and collaboration improve working knowledge relating to water management operations and responsibilities.
- In April 2025, the District Inspector General provided professional training to State of Florida Inspectors General, audit managers, and new staff auditors on new Internal Auditing Standards issued by the Institute of Internal Auditors. The training occurred over a two-day period and included attendance by the St. John's River Water Management District and Southwest Florida Water Management District Inspector's General. The District Inspector General is pleased to be associated with the Northwest Florida Water Management District in this training.