

TO: Chairman Peter Lake
FROM: Nicole Campbell, Internal Audit Director
DATE: May 31, 2019
SUBJECT: Implementation Status of Audit Recommendations

This semi-annual report provides the status of management's efforts in addressing internal and external audit issues and recommendations.

The Internal Audit Division uses TeamCentral, a web-based database, to track and monitor the implementation status of issues and recommendations resulting from internal and external audits, reviews, and oversight activities. Implementation status is reported in TeamCentral by the individuals identified as responsible for implementing each recommendation. On a semi-annual basis, Internal Audit performs follow-up audit work to validate the implementation status of corrective actions taken in response to significant audit recommendations and/or related control issues.

This status report covers the period from fiscal year 2012 through May 2019. Implementation status for a total of 233 recommendations have been tracked in TeamCentral since fiscal year 2012. As of May 31, 2019, the following activity has occurred:

- 3% (7 of 233) of the total audit recommendations are pending, and
- 97% (226 of 233) of the total audit recommendations have been implemented.

The attached table shows the number of audit recommendations by project name that have been implemented or were in progress, as of May 31, 2019.

We appreciate management's efforts in addressing the audit issues, and in improving the agency's control environment.

Attachment:

cc: Tara Rejino
Jeff Walker
Amanda Lavin
Todd Chenoweth

Our Mission

To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas

Board Members

Peter M. Lake, Chairman | Kathleen Jackson, Board Member | Brooke T. Paup, Board Member

Jeff Walker, Executive Administrator

Texas Water Development Board - Internal Audit Division
Implementation Status of Audit Recommendations
As of May 31, 2019

| Project Name and Report Date | Implemented | Pending | Total |
|---|-------------|----------|------------|
| Review of the Loan Application Process (February 2012) | 50 | 0 | 50 |
| Review of the State Water Planning Process (July 2012) | 23 | 0 | 23 |
| Review of the Desired Future Conditions Process (October 2012) | 3 | 0 | 3 |
| Review of Procurement and Accounts Payable (April 2013) | 2 | 0 | 2 |
| Review of Project Monitoring (July 2013) | 17 | 0 | 17 |
| Review of Outlays and Escrows (January 2013) | 4 | 0 | 4 |
| Review of Revenue Management (February 2014) | 12 | 0 | 12 |
| Review of the Drinking Water State Revolving Fund Program (February 2014) | 17 | 0 | 17 |
| Review of Debt & Portfolio Management (April 2014) | 1 | 0 | 1 |
| Review of Compliance with Public Funds Investment Act (PFIA) (April 2014) | 1 | 0 | 1 |
| Review of Professional Fees Paid on ARRA Projects (April 2014) | 5 | 0 | 5 |
| Review of Loan Recipient Monitoring (August 2014) | 4 | 0 | 4 |
| Review of the Economically Distressed Areas Program (September 2014) | 1 | 0 | 1 |
| Review of Quarterly Investment Reports FY2014 (October 2015) | 2 | 0 | 2 |
| Biennial Review of Compliance with PFIA (January 2016) | 7 | 0 | 7 |
| Biennial Review of Compliance with PFIA (January 2018) | 1 | 0 | 1 |
| Review of Debt Service Payments (August 2017) | 4 | 0 | 4 |
| Review of Quarterly Investment Reports FY2018 | 1 | 0 | 1 |
| Audits Performed by External Oversight Agencies (Various Reports) | 52 | 1 | 53 |
| Consultations and Advisory Engagements (Various Reports) | 19 | 6 | 25 |
| Total | 226 | 7 | 233 |