

TO: Peter M. Lake, Chairman
FROM: Nicole Campbell, Internal Audit Director
DATE: November 12, 2020
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 November 12, 2020. The implementation status for a total of 262 recommendations have been tracked in TeamCentral since fiscal year 2012. As of November 12, 2020, the following activity has occurred:

- 11% (28 of 262) of the total audit recommendations are pending, and
- 89% (234 of 262) 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 November 12, 2020.

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
Ashley Harden

Texas Water Development Board - Internal Audit Division
Implementation Status of Audit Recommendations
As of November 12, 2020

Project Name and Report Date	Implemented	Pending	Total
Review of the Loan Application Process (Feb 2012)	50	0	50
Review of the State Water Planning Process (Jul 2012)	23	0	23
Review of the Desired Future Conditions Process (Oct 2012)	3	0	3
Review of Procurement and Accounts Payable (Apr 2013)	2	0	2
Review of Project Monitoring (Jul 2013)	17	0	17
Review of Outlays and Escrows (Jan 2013)	4	0	4
Review of Revenue Management (Feb 2014)	12	0	12
Review of Drinking Water State Revolving Fund Program (Feb 2014)	17	0	17
Review of Debt & Portfolio Management (Apr 2014)	1	0	1
Review of Compliance with Public Funds Investment Act (Apr 2014)	1	0	1
Review of Professional Fees Paid on ARRA Projects (Apr 2014)	5	0	5
Review of Loan Recipient Monitoring (Aug 2014)	4	0	4
Review of the Economically Distressed Areas Program (Sept 2014)	1	0	1
Review of Quarterly Investment Reports FY2014 (Oct 2015)	2	0	2
Biennial Review of Compliance with PFIA (Jan 2016)	7	0	7
Biennial Review of Compliance with PFIA (Jan 2018)	1	0	1
Review of Debt Service Payments (Aug 2017)	4	0	4
Review of Quarterly Investment Reports FY2018 (Jan 2019)	1	0	1
Review of State-Funded Grant Agreements and Contracts (Nov 2019)	1	28	29
Audits Performed by External Oversight Agencies (Various Reports)	53	0	53
Consultations and Advisory Engagements (Various Reports)	25	0	25
Total	234	28	262