



Hillsborough Soil and Water Conservation District

4503 Coronet Road
Plant City, FL 33566
(813) 707-1652
SoilandWater@HCFL.GOV

BOARD OF SUPERVISORS

Terri Parke, Seat 1
Elizabeth Tompkins, Seat 2
Gretchen Hoke, Seat 3
Vacant, Seat 4
Aly Sullivan, Seat 5

Executive Director

Joseph Walsh, Ph.D.

March 31st, 2025

Honorable Jay Collins
Chair, Joint Legislative Audit Committee
111 W. Madison Street
Room 876
Tallahassee, FL32399-1400

Dear Senator Collins -

The Board of Supervisors, Hillsborough Soil and Water Conservation District, is in receipt of your letter dated March 12th, 2025, regarding repeat audit findings identified from our Annual Financial Reports/Audits for fiscal years 2021, 2022, and 2023. In response to your inquiry, this Board is characterizing our correction to condition 2021-01, *Material Weakness* as “partially implemented” in FY 2024, and “implemented” for condition 2021-02. These corrections are recognized in our FY 2024 Annual Financial Report and Audit, filed in February 2025. Further, we continue to implement corrective actions to condition 2021-01 in FY 2025, which we believe will be recognized in our FY 2025 audit.

Early in 2023, the newly elected Board was alerted to several critical management issues including urgent financial liabilities, by both of its major funding partners- Hillsborough County Administration and the Florida Department of Agriculture and Consumer Services (FDACS). The financial management concern, although not being the only consideration, was a major driver in dismissing the incumbent executive director from the position by June 2023. When the new executive director (Dr. Walsh) onboarded in December 2023, the Board’s first order of business was to address the District’s filing status with the State (i.e. the delinquent FY 2022 Audit). The second order of business was to reinstate the District’s spending authorities with FDACS and Hillsborough County Administration.

The Conservation District’s FY2024 Annual Financial Report and Audit was prepared by a different auditing firm (HCT Certified Public Accountants & Consultants, LLC, of Hollywood, FL) than for the years addressed by your letter. During their review of the FY2023 audit, HCT revisited the deficiencies identified in the FY2023 audit and noted corrective actions taken by this District in FY2024, provided herein.

2021-01, Internal Controls over Financial Reporting (Material Weakness)

CURRENT YEAR STATUS: PARTIALLY IMPLEMENTED

Views of responsible officials and planned corrective actions:

1. For the purpose of ensuring proper financial controls over that portion of the District’s budget

that is provided by Hillsborough County, the District's Executive Director is recognized as the delegated Fiscal Agent within the County's internal controls processes and works with a County delegated Budget Analyst (withing County Management & Budget Department) for the purpose of providing Financial Control over the County's contributions to this District's Management and Budget System. The County's contribution to the District's budget has accounted for ~75% of the District's budget and cashflows for at least the last five fiscal periods through FY 2023-2024. As of October 1st, 2024, The County's contribution to our Budget constitutes 100% of the District's salary and administrative portions of our operating budget.

2. Beginning in January FY 2024, the newly appointed Executive Director ensured that all sources of cashflow (Hillsborough County, FDACS, and South-State) were reconciled on a MONTHLY basis.
3. Reconciliation of External Bank Accounts
Management (Executive Director and Office Manager) implemented the recommendations of the 2023 audit under this topic. The Board's Financial Controls document was reviewed and affirmed at its January 2024 meeting. Thereafter, the Executive Director stopped issuing handwritten checks from all external bank accounts, all old and out of sequence paper checks, were destroyed, and further transactions were paid either through electronic transfer or Cashier's checks as necessary. The office manager was directed to reconcile all transactions for the Hillsborough 100 and MiniFarms accounts going back 10 years. In collaboration with the District's commercial bank (South State Bank) and FDACS, the executive director determined that the Hillsborough 100 and Minifarms accounts was irreconcilable. Consequently, at the District's November 8th, 2024, Board meeting, the Executive Director was authorized to close these two accounts plus one idle account (Tampa Bay Envirothon); this action was completed in November 2024 (early FY 2025).

2022-02 COMPLIANCE WITH FDACS CONTRACT REPORTING

CURRENT YEAR STATUS: IMPLEMENTED

1. Traditionally, FDACS cost-share contracts have constituted ~25% of the District's spending authority. However, in early 2023, FDACS notified the newly elected Board that the District had fallen out of compliance with FDACS' contract conditions beginning in FY 2022 and extending into FY 2023. The District was fined by FDACS for noncompliance and frozen out of its allocation until corrective actions were demonstrable. With the corrective actions put in place beginning in January 2024, FDACS had unfrozen the District's cost-share fund allocation, and the District collaborated with FDACS to spend the remaining allocations. Thereafter, the District worked closely with an FDACS Certified Contract Manager to ensure proper reporting and tracking of its cost-share-related transactions. The contract was closed June 30th, 2024, and in September 2024, the FDACS issued a release letter to the District.

The Cause identified with Audit Finding 2021-01 is rooted in the small size of the Conservation District, which lacks the internal resources to develop and maintain a robust internal financial control system, and the Board anticipates this root cause to continue for the foreseeable future. However, the Board also recognizes that it can take practical steps to address this weakness by engaging fully with the financial management resources of Hillsborough County administration, which includes the capacity to manage grants and by trimming out fund accounts that do not easily integrate with that financial management system.

In closing, the Board believes it has corrected Conditions 2021-01 and 2021-02 as found partially in our FY2024 audit and anticipates being able to address the root causes going forward. The Board asks that the JLAC committee find this explanation satisfactory and invites any follow up deemed necessary by the Committee or its staff to be addressed to Dr. Joe Walsh at phone (813) 347-6706 or email walshjo@HCFL.gov .

Respectfully Yours,



Terri L Parke
Chair, Board of Supervisors

TLP/jtw