

FOLLOW-UP ON AG REPORT NO. 2020-106

June 30, 2020

<p align="center">Appendix A Schedule of District Corrective Action for Auditor General Report No. 2020-106 June 2020</p>	
<p align="center">Finding 1: Conflicts of Interest</p>	
AG Finding Summary	State law prohibits a Board member from having a contractual relationship with any business entity that does business with the District. However, two Board members received District awards totaling \$10,450 without documented legal determinations of the authority for these awards.
AG Recommendation	Board policies should be revised to require documented legal determinations to help evaluate whether potential conflicts of interest are contrary to State law. In addition, the District should seek guidance from the Commission on Ethics regarding the identified potential conflicts of interest and, based on the guidance obtained, determine whether the District should discontinue cost-share project contract awards to Board members.
Original District Response	<p>The District has initiated annual Governing Board workshops reviewing the Sunshine Law and Code of Ethics as set forth in Chapter 112, Part III, F.S. Also, the District updated the Agricultural Cost-Share Program Procedure effective August 2019 to reduce risk of potential conflicts of interest. Furthermore, in addition to an updated Ethics Policy for employees effective October 2019, the District will implement a Code of Ethics Directive for Governing Board Members which among other things will address legal determinations for evaluating potential conflicts of interest.</p> <p>In response to the concerns raised in this audit, the General Counsel on September 24, 2019 advised the Governing Board to no longer apply for or participate in any subsequent agricultural cost-share programs. Since Governing Board Members are no longer eligible for agricultural cost-share participation it is the District’s opinion that seeking guidance from the Commission on Ethics is not necessary.</p>
Status per Management as of July 2020	The Ag Cost-Share agreements with the two Board members have expired. Pursuant to the General Counsel’s recommendations, the Code of Ethics Directive regarding potential conflicts of interest, and updated District policy, the District now excludes Board members, officers, and employees from cost share programs.