

**NORTH SPRINGS IMPROVEMENT
DISTRICT**

Prior Audit Follow-Up



Sherrill F. Norman, CPA
Auditor General

North Springs Improvement District

During the period October 2024 through March 2025, the following individuals served on the North Springs Improvement District Board of Supervisors:

Grace Solomon, President
Anthony Avello, Secretary
Vincent Moretti, Assistant Secretary

In addition, Rodney Colon served as the District Manager, and Brenda Richard served as the District Clerk.

The Auditor General conducts audit of government entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Susan C. Phelan, CPA, and the audit was supervised by Gina Bailey, CPA.

Please address inquiries regarding this report to Derek Noonan, CPA, Audit Manager, by e-mail at dereknolan@aud.state.fl.us or by telephone at (850) 412-2864.

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NORTH SPRINGS IMPROVEMENT DISTRICT

PRIOR AUDIT FOLLOW-UP

SUMMARY

In our operational audit report No. 2024-059 of the North Springs Improvement District (District), we noted seven findings related to various District functions and activities. This operational audit focused on the progress that the District had made in addressing the findings and recommendations in report No. 2024-059. Our audit disclosed that the District had corrected the seven findings.

BACKGROUND

North Springs Improvement District (District) was established in 1971 pursuant to Chapter 71-580, Laws of Florida, as amended, and Chapter 298, Florida Statutes. The District provides water treatment, wastewater collection, and stormwater management to residents of the cities of Coral Springs and Parkland. The District is governed by a three-member Board of Supervisors (Board) composed of a President, Secretary, and Assistant Secretary. The Board is assisted by the District Clerk, and the District Manager oversees District operations.

FINDINGS AND RECOMMENDATIONS

Finding 1: Competitive Procurement Procedures

Previously Reported

District procurement procedures¹ did not provide adequate time for interested parties to respond to competitive solicitations.

We recommended that the District enhance its competitive procurement procedures to provide for response times consistent with State law² and the National Institute of Governmental Purchasing (NIGP)³ guidance and best practices.

Results of Follow-Up Procedures

The District corrected this finding. Effective January 15, 2024, the District implemented revised procurement policies and procedures.⁴ The revised policies and procedures provide for response times consistent with State law and NIGP guidance and best practices.

¹ *North Springs Improvement District Procurement Procedures.*

² Section 255.0525, Florida Statutes.

³ The NIGP, also known as NIGP: The Institute for Public Procurement, is a membership-based, nonprofit organization composed of members representing federal, state, provincial, and local government levels throughout the United States and Canada and provides support to professionals in the public sector procurement profession. The NIGP provides various resources for public officials and procurement professionals including the NIGP *Public Procurement Guide for Elected and Senior Government Officials* and the NIGP's *Global Best Practices*.

⁴ *North Springs Improvement District Procurement Policies and Procedures*, effective January 15, 2024.

From the population of six competitive procurements of goods and services valued at \$6.4 million in contracts and \$1.4 million in expenditures during the audit period, we examined District records for four selected contracts. These four contracts had a combined value of \$1.2 million and approximately \$247,000 in related expenditures during the audit period. Our examination of the District's advertisements associated with the competitive solicitations included bidder response times that complied with State law: a minimum of 30 days for construction projects over \$500,000, at least 21 days for projects between \$200,000 and \$500,000, and NIGP guidance and best practices recommending a minimum 14-day response period for all other procurements.

Finding 2: Competitive Procurement of Services

Previously Reported

Contrary to State law,⁵ the District did not always use a competitive procurement process when acquiring goods and services.

We recommended that the District ensure that competitive procurement procedures are properly applied in accordance with State law and District procedures.

Results of Follow-Up Procedures

The District corrected this finding. The District's policies and procedures⁶ require that the evaluation of the competitive solicitation responses include the cost for all contract years, including renewal years. Our examination of four competitive procurements with contracts totaling \$1.2 million and related expenditures of approximately \$247,000 during the audit period, two of which were multi-year (5-year) contracts valued at \$470,000, disclosed that the District evaluated the competitive solicitations based on the total proposal amounts, including the renewal years in accordance with State law and District procedures.

Finding 3: Evaluation of Competitive Proposals

Previously Reported

The District's process for advertising competitive procurements and evaluating vendor proposals needed enhancement.

We recommended that the District enhance its written procurement procedures for the evaluation and rankings of proposals received in response to competitive solicitations. Such enhancements should:

- Ensure that evaluation criteria are clearly defined in competitive solicitations and that any weighting that will be applied to those criteria during the evaluation process is specified.

⁵ Chapter 2007-0285, Laws of Florida, and Section 287.055(2)(g) and (5), Florida Statutes. On June 12, 2007, Section 47(4), Chapter 2007-285, Laws of Florida, removed the following language from the District Charter, "No contract shall be let by the board for the construction or maintenance of any project authorized by this act, nor shall any goods, supplies, or materials be purchased..., unless notice of bids shall be advertised once a week for 2 consecutive weeks in a newspaper published in Broward County." Consequently, beginning June 12, 2007, Section 255.0525, Florida Statutes, requirements for a minimum response time of at least 30 days for construction projects costing over \$500,000 and at least 21 days for construction projects costing over \$200,000 but less than \$500,000, prevailed.

⁶ *North Springs Improvement District Procurement Policies and Procedures*, effective January 15, 2024.

- Require provision of written guidance and instructions to individuals assigned responsibility for evaluating and ranking proposals. Such guidance and instructions should explain how the evaluation criteria should be applied.
- Require individuals evaluating and ranking proposals to document their judgments and decisions.
- Ensure that criteria used to evaluate proposals are consistent with the criteria listed in the related solicitations.
- Provide for the assignment of a sufficient and appropriate number of qualified personnel to serve on evaluation committees. If a sufficient number of qualified individuals within the District are not available to serve on an evaluation committee, consideration should be given to including qualified individuals from other public or nonprofit entities.

Results of Follow-Up Procedures

The District corrected this finding. The District’s procurement policies and procedures⁷ included a *District Sample Bid Ranking Sheet* (Ranking Sheet), which includes evaluator instructions and requires competitive solicitations to include a Ranking Sheet that details how the proposals are to be evaluated. The Ranking Sheet records the evaluator’s decision-making process, including factors such as bidder experience, qualifications, technical ability, and references. Evaluators assign scores for each category, and grading scores range from 1 to 40, with 1 being the lowest value and 40 being the highest. Once the evaluation has been completed, the evaluators sign and date the Ranking Sheets to officially document their evaluation of the proposals.

Our examination of three procurement contracts, totaling approximately \$979,000 with related expenditures totaling approximately \$228,000 during the audit period, disclosed that the District appropriately advertised and evaluated vendor procurement solicitation responses. Specifically, the District:

- Clearly defined evaluation criteria in competitive solicitations and specified any weighting applied during the evaluation process.
- Provided written guidance and instructions to individuals responsible for evaluating and ranking proposals.
- Required evaluators to document their judgments and decisions.
- Ensured consistency between the criteria used for evaluation and those listed in the solicitations.
- Assigned a sufficient and appropriate number of qualified personnel to serve on evaluation committees. There were either three or four evaluators for each solicitation response, and District records evidenced that the evaluators had sufficient expertise to evaluate the proposals.

Finding 4: Contractor Performance Guarantees

Previously Reported

Contrary to State law⁸ and standard District construction contract provisions, the District did not always obtain guarantees of performance from contractors prior to the commencement of work.

⁷ *North Springs Improvement District Procurement Policies and Procedures*, effective January 15, 2024.

⁸ Section 255.05, Florida Statutes.

To protect the District's interest in the event of a contractor's unsatisfactory performance or inability to timely and appropriately complete a construction project, we recommended that the District ensure that applicable contractors provide payment guarantees, such as letters of credit, payment and performance bonds, or other forms of security, prior to commencement of work.

Results of Follow-Up Procedures

The District corrected this finding. The District's procurement policies and procedures⁹ include a Bid Submittal and Contract/Agreement Checklist (Checklist), which must be completed for each competitive procurement. The Checklist requires the preparer to confirm whether a bond or other security payment was obtained, if applicable, and to sign and date the form to verify all required documentation was collected.

Our review of the competitively procured construction project awarded by the District in March 2024, requiring a performance bond, with a contract amount of \$650,000, disclosed that the Checklist was completed and signed by the preparer, and a performance bond for the amount of the contract was provided by the contractor and maintained in the contract file.

Finding 5: Land Sale

Previously Reported

The District did not obtain an independent appraisal prior to selling a parcel of land for \$4 million.

We recommended that the District establish policies and procedures for real property acquisitions and disposals of District-owned real property. Among other things, the policies and procedures should require independent appraisals of District-owned real property prior to selling such property and instruct District staff to use the appraisals to ensure that the District obtains a fair and appropriate value for the property.

Results of Follow-Up Procedures

The District corrected this finding. The District's procurement policies and procedures¹⁰ provide that the District may sell property, and that for any price estimated to exceed \$100,000, the District must obtain at least one independent appraisal. During the period October 2024 through March 2025, the District entered into a contract to sell one parcel of District-owned land, with a selling price of \$3.2 million. As of June 2025, the sale was pending; however, the District obtained an independent appraisal prior to entering into a contract to sell the parcel and used the appraisal amount of \$3.6 million to determine a fair and appropriate value for the property.

Finding 6: Hiring Practices

Previously Reported

Other than a one-page document outlining the hiring and new employee onboarding processes, the District lacked written policies and procedures for hiring employees. In addition, the District lacked

⁹ *North Springs Improvement District Procurement Policies and Procedures*, effective January 15, 2024.

¹⁰ *North Springs Improvement District Procurement Policies and Procedures*, effective January 15, 2024.

procedures for establishing position descriptions and hired an individual without publicly advertising the position or establishing a position description.

We recommended that the District adopt written policies and procedures to direct all hiring activities and the establishment of position descriptions that specify the job duties and minimum education and experience requirements for all District positions. We also recommended that the District advertise all open positions.

Results of Follow-Up Procedures

The District corrected this finding. Effective January 15, 2024, the District implemented revised hiring processes and procedures,¹¹ which provide guidelines for hiring activities, including requests for personnel, open position postings and recruitment methods, applicant screening processes, interview processes, and job offers. The processes and procedures allow the use of various recruitment methods to attract qualified applicants, including advertisement on the District’s Web site or other Web sites, internal referrals, and job fairs.

Our review in May 2025 of position descriptions for the District’s 59 active employees disclosed that a position description was established for each active position. In addition, we reviewed the employment files for 3 of the 8 employees hired by the District during the period January 2024 through March 2025. We noted that the employment files for the 3 employees included the relevant position description and documentation evidencing that the position was advertised.

Finding 7: Background Screenings

Previously Reported

The District’s background screening requirements for prospective employees should be clarified. Additionally, the District did not retain background screening documentation to evidence the conduct and results of the screenings.

We recommended that the District enhance its policies and procedures to clarify and specify what constitutes a “brief background check” and to require the retention of appropriate documentation evidencing the performance and results of background screenings.

Results of Follow-Up Procedures

The District corrected this finding. The District’s hiring processes and procedures¹² provide that a job offer will be extended once the background screening results are satisfactory. According to District management, two background screenings are conducted. A brief background screening is first conducted through a public records search to assess the applicant’s suitability for the advertised position. If the candidate is selected for hire, the District conducts an additional more comprehensive background screening that includes criminal history, driving record, and drug testing. District management reviews the background screening records and signs them to evidence the review. District management indicated

¹¹ *North Springs Improvement District Hiring Process and Procedures*, effective January 15, 2024.

¹² *North Springs Improvement District Hiring Process and Procedures*, effective January 15, 2024.

that judgment is used in determining satisfactory background screening results based upon consideration of the applicant's position and the access the position's level of access to District resources.

We reviewed the employment files for three of the eight employees who began employment with the District during the period January 2024 through March 2025 and noted that each of the three employment files included background screening records signed by District management.

OBJECTIVES, SCOPE, AND METHODOLOGY

Pursuant to Section 11.45(3)(a), Florida Statutes, we conducted an operational audit of the North Springs Improvement District and issued our report No. 2024-059 in November 2023. Pursuant to Section 11.45(2)(j), Florida Statutes, the objective of this audit was to perform, no later than 18 months after the release of that report, appropriate follow-up procedures to determine the District's progress in addressing the findings and recommendations contained within report No. 2024-059.

We conducted this follow-up audit from March 2025 through June 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the follow-up audit, weaknesses in management's internal controls significant to our audit objectives; instances of noncompliance with applicable governing laws, rules, contracts, or other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The overall objective of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgement has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our follow-up audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included transactions, as well as events and conditions, occurring during the period October 2024 through March 2025 and selected District actions taken prior and subsequent thereto. Our audit included the examination of pertinent District records and transactions, inquiry of District personnel, observation of procedures in practice, and additional follow-up procedures as appropriate. Unless otherwise indicated in this report, records and transactions were not selected with the intent of projecting

the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

In conducting our audit, we:

- Reviewed applicable laws, District policies and procedures, and other guidelines and interviewed District personnel to obtain an understanding of the District's processes and requirements and to determine whether the District had established effective policies and procedures for selected District functions.
- Examined the District's meeting minutes for the audit period and selected meeting minutes prior to that period, to identify any matters significant to the scope of the audit.
- From the population of six competitive procurements of goods and services valued at \$6.4 million in contracts and \$1.4 million in expenditures during the audit period, examined District records for four competitive procurements with contracts totaling \$1.2 million and related expenditures of approximately \$247,000 during the audit period to determine whether the goods and services were procured in accordance with Chapter 2007-285, Laws of Florida; Sections 287.055(2)(g) and (5), Florida Statutes; District procedures; and National Institute of Governmental Purchasing guidance and best practices.
- Examined District records for a construction project totaling \$650,000 awarded by the District in March 2024¹³ to determine whether a payment guarantee was provided to the District in accordance with Section 255.05, Florida Statutes, and District standard contract language.
- Inquired of District personnel and reviewed the Broward County Property Appraiser's Web site to identify District land dispositions during the audit period. We also examined District records for one parcel of land pending sale for \$3.2 million to determine whether the District obtained an appraisal prior to entering into a contract to sell the parcel.
- Examined District records to determine whether job descriptions were established for all 59 District employees.
- Examined District records for 3 of the 8 employees hired during the audit period to determine whether the employees were hired and background screenings were obtained and reviewed in accordance with District processes and procedures.
- Inquired with District personnel to determine whether the District made any expenditures or entered into any contracts utilizing the authority granted by a state of emergency declared or renewed on or after July 1, 2021.
- Examined District records, including Board meeting minutes, for the audit period and inquired of District personnel to determine whether any construction or electrical projects with estimated or actual costs exceeding the thresholds specified in Section 255.20, Florida Statutes were performed using District services, employees, and equipment.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.

¹³ There were no construction contracts awarded during the audit period October 2024 through March 2025 requiring construction contractors to provide payment guarantees.

AUTHORITY

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with the first name being the most prominent.

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE

District management concurred with the audit results.