

# **Final Audit Follow Up**

*As of March 31, 2007*



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## **Homeland Security – Water Supply**

*(Report #0708, Issued January 9, 2007)*

**Report #0717**

**May 25, 2007**

### **Summary**

**As of March 31, 2007, Water Utility has completed five of six action plan steps developed to address issues identified in our previously issued report #0708. One action plan step is in progress and has been turned over to management to ensure completion.**

In audit report #0708, we identified issues that we recommended the Water Utility take into consideration as it continued to accomplish security improvements recommended in an independent vulnerability assessment report received by the City in 2003. The vulnerability assessment was performed by a private contractor in accordance with requirements of the Public Health Security and Bioterrorism Preparedness and Response Act of 2002. In our audit we provided specific recommendations to address identified water security issues. The Water Utility has been responsive in addressing those recommendations as steps have been taken to:

- Report the status of efforts and actions to address identified vulnerabilities and related recommendations to the Water Utility General Manager in biweekly meetings.
- Communicate with employees to ensure their awareness and knowledge of Water Utility's expectations in their emergency response roles.
- Identify and document locations of valves surrounding sensitive populations.

- Initiate the bidding process for the purchase and installation of an admittance system that will more effectively restrict access to wastewater treatment facilities. It is anticipated that this project will be complete by August 2007. (The completion of this action plan step has been turned over to management.)
- Provide written procedures to water well operators clearly defining the duties and responsibilities of the position. The duties outlined in the procedures include daily, weekly, monthly, semiannual, and annual requirements to assist water well operators in accomplishing the tasks assigned to their position.
- Annually review and update the vulnerability assessment to account for changing threats and conditions to the City's water supply.

We appreciate the cooperation and assistance the Water Utility provided during our follow up process.

### **Scope, Objectives, and Methodology**

The audit and the subsequent follow up were conducted in accordance with Generally Accepted Government Auditing Standards and the Standards for the Professional Practice of Internal Auditing, and accordingly included such tests of the records and other auditing procedures as were considered necessary.

## Original Report #0708

The scope of the Homeland Security – Water Supply audit included a review of City actions that were made in response to the vulnerability assessment of the City’s water supply that was conducted by an outside consultant. The purpose of that federally mandated assessment was to identify the vulnerability of the City’s water supply system to a terrorist attack or other intentional acts. The Water Utility’s responses to the recommendations in the vulnerability assessment were also reviewed. In the course of that audit we interviewed responsible City employees for information related to the City’s water system; visited and/or observed various water system facilities, locations, and activities; and considered various security features and personnel and funding issues.

The objectives of the audit were to determine if the Water Utility had:

- Assessed, identified, and addressed the vulnerabilities of the City’s water system to security incidents/failure (i.e., water contamination, service disruption, loss of power, physical damage/destruction of critical assets, etc., resulting from terrorist attacks or other intentional acts) and
- Established and tested the system to provide emergency response in the event of water system damage, failure, or contamination resulting from terrorist attacks or other intentional acts.

## Report #0717

This is our first and final follow up on action plan steps identified in audit report #0708. The purpose of this follow up is to report on the status in completing the recommended action plan steps due for completion by March 31, 2007. To obtain information, we conducted interviews with key staff, made observations, and reviewed relevant documentation.

### **Previous Conditions and Current Status**

In report #0708, we identified issues that indicated the need for management to (1) implement a process for periodically reporting the status of efforts and actions to address identified vulnerabilities and related recommendations; (2) communicate with employees to ensure their awareness and knowledge of Water Utility’s expectations in their emergency response roles; (3) identify and document the locations of valves surrounding sensitive populations; (4) effectively restrict access to wastewater treatment facilities; (5) develop written procedures to document the responsibilities and duties of water well operators; and (6) develop a plan to periodically review and account for changing threats/conditions.

Six action plan steps were developed to address the identified issues. Each of those action plan steps was initially due for completion by March 31, 2007. Table 1 provides a summary of those six action steps due for completion and their current status.

**Table 1  
Action Plan Steps from Report #0708 due as of March 31, 2007, and  
Current Status**

Action Plan Steps	Current Status
<i>Enhance accountability and planning regarding identified vulnerabilities.</i>	
<ul style="list-style-type: none"> <li>Implement a process to periodically report to Water Utility management the status of efforts and actions to address each recommendation provided by the vulnerability assessment. Report the level of information recommended within the audit report.</li> </ul>	<ul style="list-style-type: none"> <li>✓ A process has been established to update the Water Utility General Manager on the status of Water Utility's efforts and actions to address all vulnerability assessment recommendations. Those updates are done in biweekly staff meetings. Changes in the status of incomplete vulnerability assessment recommendations are discussed during these biweekly meetings.</li> </ul> <p>(NOTE: We commend the Water Utility for addressing these vulnerability assessment recommendations in biweekly meetings. The updates and related discussions should enhance the successful completion of those recommendations. In addition to the biweekly verbal updates, <u>we recommend</u> that the Water Utility consider formalizing the status of the vulnerability assessment recommendations in a written report on at least an annual basis.)</p>
<i>Ensure adequate, timely, and appropriate emergency responses.</i>	
<ul style="list-style-type: none"> <li>Provide a copy of the <i>Water Utility Manmade Emergency Operating Plan</i> to employees that will be expected to participate in an emergency response. Discuss with those employees their expected roles and responsibilities in an emergency response.</li> </ul>	<ul style="list-style-type: none"> <li>✓ The updated Water Utility Manmade Emergency Operating Plan was distributed to employees expected to participate in an emergency response. Additionally, water well operators are scheduled for a review of emergency response procedures in May 2007.</li> </ul>
<ul style="list-style-type: none"> <li>Identify the location of all valves necessary to isolate the water supply to critical customers. Document those locations in the appropriate appendix to the <i>Water Utility Manmade Emergency Operating Plan</i>.</li> </ul>	<ul style="list-style-type: none"> <li>✓ The Emergency Operating Plan has been updated to include the locations of values necessary to isolate the water supply to critical customers.</li> </ul>
<i>Restrict access to wastewater facilities.</i>	
<ul style="list-style-type: none"> <li>Procedures and methods established to adequately and properly restrict access to wastewater facilities will be followed and applied.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Progress has been made in restricting access to wastewater facilities. Water Utility is in the process of obtaining bids for the installation of improved gates and an improved system to identify individuals wishing to access wastewater facilities. As appropriate actions to restrict access to the wastewater facilities are currently in progress, responsibility for the completion of this project is being turned over to management.</li> </ul>
<i>Enhance water well operations and security.</i>	
<ul style="list-style-type: none"> <li>Develop written procedures that delineate specific duties and responsibilities of water well operators for properly operating and securing water wells. Provide those procedures to each water well operator.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Written procedures have been developed and provided to water well operators to clearly document specific duties and responsibilities. The procedures outline the activities to be performed on a daily, weekly, monthly, semiannual, and annual basis.</li> </ul>

<i>Address changing vulnerabilities and conditions.</i>	
<ul style="list-style-type: none"> <li>• Develop a plan to periodically update the current vulnerability assessment for changing threats and conditions.</li> </ul>	<ul style="list-style-type: none"> <li>✓ A committee has been formed to include the Water Quality Manager, the Wastewater Operations Manager, and the Distribution and Collection Manager (the Distribution and Collection Manager position is vacant at the time of this follow up). This committee will meet annually to review and update the vulnerability assessment for changing threats and conditions and will report their conclusions to the Water Utility General Manager.</li> </ul>

**Table Legend:**

- Issue addressed in the original audit.
- ✓ Issue addressed and resolved.
- ◆ Action step initiated and in progress; turned over to management to ensure completion.

**Conclusion**

Water Utility has completed five of six action plan steps developed to address issues identified in the initial audit report. Progress has been made toward the completion of the one remaining action plan step in that actions have begun to more adequately restrict access to wastewater facilities through the installation of a more effective barrier system for the facilities. This anticipated system will include:

- More effective gates at the entrances to wastewater facilities which will restrict entrance to one vehicle at a time, and
- A more responsive communication system that will provide individuals an opportunity to request admittance to the facilities from responsible Water Utility employees.

As appropriate actions to complete this remaining action plan step are currently in progress, responsibility for completion is being turned over to management.

We commend the Water Utility for their successful and timely efforts in addressing the action plan steps established for this audit

**Appointed Official's Response**

**City Manager:** I'm very pleased with the results of this audit. The results reflect management's commitment to internal control.

Copies of this audit follow up or audit report #0708 may be obtained from the City Auditor's website (<http://talgov.com/auditing/index.cfm>) or via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (Office of the City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail ([auditors@talgov.com](mailto:auditors@talgov.com)).

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