

**Audit of Small County Consolidated
Solid Waste Grant Agreement SC807
with Flagler County**

Division of Waste Management

Report: A-1819DEP-027

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

February 14, 2020

3900 Commonwealth Boulevard, MS 40
Tallahassee, Florida 32399-3000
<https://floridadep.gov/>





Audit of Small County Consolidated Solid Waste Grant
Agreement SC807 with Flagler County
Division of Waste Management



Report: A-1819DEP-027

Table of Contents

Scope and Objectives	1
Methodology	1
Background	1
Results	2
Conclusion	4
Findings and Recommendations.....	5
Division Response.....	8

Report: A-1819DEP-027

The Office of Inspector General conducted an audit of the Small County Consolidated Waste Grant Agreement SC807 (Agreement) between the Department of Environmental Protection (Department) Division of Waste Management (Division) and Flagler County (County). This audit was initiated as a result of the Fiscal Year (FY) 2018-2019 Annual Audit Plan.

Scope and Objectives

The scope of this audit included Agreement activities between October 1, 2017, and September 30, 2018. The objectives were to determine whether:

- reimbursed expenditures were allowable and eligible under the Agreement
- the County was in compliance with the Agreement and Grant WorkPlan

Methodology

This audit was conducted under the authority of Section 20.055, Florida Statutes (F.S.) and in conformance with the *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors. Our audit procedures included tests of Division and County records and procedures as well as interviews with Division and County staff.

Background

In accordance with Section 403.7095, F.S., counties with a population fewer than 110,000 are eligible for small county consolidated grants. Programs to be supported with the small county consolidated grants include those for the purpose of general solid waste management, litter prevention and control, waste tire abatement, and recycling and education programs. Per the Bureau of Economic and Business Research 2018 report, the County had a

Report: A-1819DEP-027

population of 107,511.

The County was awarded \$90,909 in funding for required maintenance and monitoring of closed landfills under Department Permit numbers 0069322- 017SF and 0018825-066SF (Permit). The work, as required under the Permit, was performed by the County's subcontracted engineer between October 1, 2017, and September 30, 2018. The Agreement was executed February 21, 2018. The County's landfills are integrated solid waste management systems and operate as disposal facilities for Construction and Demolition (C&D) and Class I solid wastes.

Under the Agreement, the County was eligible for reimbursement for contracted activities including on-site inspections, testing, monitoring, and maintenance of landfill cap and groundcover as well as Permit modifications, Permit renewals, and the cost of groundwater and surface water monitoring. The County was reimbursed \$63,700.00 for subcontracted services.

Results

The Agreement Grant Work Plan states, *the Grantee may submit a payment request for cost reimbursement quarterly. Payment requests shall be submitted within thirty (30) calendar days following completion of the quarter. The outlined deliverable(s) must have been submitted and accepted in writing by the Department's Grant Manager prior to payment request submittal.* According to the Agreement, payment requests were to be submitted within 30 calendar days following the completion of the quarter. Of the three payment requests submitted to the Division, two were submitted over 30 calendar days following the completion of the quarter as follows:

Audit of Small County Consolidated Solid Waste Grant Agreement SC807 with Flagler County
Division of Waste Management

Report: A-1819DEP-027

Payment ¹	Payment Request and Status Report Received	Performance Period	Date paid by the Department
2	9/26/2018	01/01/2018-03/31/2018	10/8/2018
3	10/10/2018	04/01/2018-06/30/2018	10/24/2018
4	10/10/2018	07/01/2018-09/30/2018	10/26/2018

According to the Program Specific Requirements of the Agreement, the County was required to submit status reports describing work performed during the reporting period. Under the Agreement, these reports are required to be submitted to the Department’s Grant Manager no later than 30 calendar days following the completion of the invoice period. Of the three status reports submitted by the County for the Agreement period, one was submitted within 30 days as required.

Under the subcontract, the County issues Work Authorizations to the subcontractor for annual monitoring activities. For the Agreement period, the County issued Work Authorization 10 for monitoring and inspection reports, as well as permit renewal activities at the closed C&D landfill. The County also issued Work Authorization 11 for monitoring and inspection reports at the Class 1 Landfill. Work Authorizations were issued as follows:

Work Authorization	Date Issued	Tasks	Total Cost
WA-10	11/20/2017	FY 2018 Semiannual Groundwater and Surface Water Monitoring and Reporting (2017 2nd)	\$45,280
		FY 2018 Annual Stormwater Inspection report	
		FY 2018 Semiannual Groundwater and Surface Water Monitoring and Reporting (2018 1st)	
		Facility Permit Renewal Application	
		FY 2018 Water Quality Technical Report	
WA-11	11/3/2017	FY 2018 Semiannual Groundwater Monitoring and Reporting (Event 1)	\$18,420
		FY 2018 Annual Stormwater Inspection report	
		FY 2018 Semiannual Groundwater Monitoring and Reporting (Event 2)	

¹ Payment Request Summary Form 1, which was submitted September 26, 2018, reflected that no work had been completed during the reporting period. Therefore, no funds were requested.

Report: A-1819DEP-027

Based on our review, subcontracted services documented in the submitted invoices were generally consistent with Permit requirements and the County's Work Authorizations issued to the subcontractor. However, the Grant Manager had not obtained a copy of the County's subcontract as required in the Agreement Grant Work Plan. The Grant Manager had also not obtained the Work Authorizations outlining the activities and cost for subcontract activities during the Agreement period. These documents were obtained from the County during our audit. Both Work Authorizations were issued in November 2017, prior to the execution of the Agreement, and included tasks totaling \$63,700.

According to article (9.2) (A) of the County's subcontract, *the design services provided to the county by the Consultant shall be certified by the appropriate architect, professional engineer and/or landscape architect registered to practice and in good standing in the State of Florida. Any project inspection services also shall be reviewed and shall be approved by such professionals.* Based on our review, one of the monitoring reports submitted with the County's third payment request had not been certified by a Professional Engineer as required. Subsequently, we obtained a revised report with the required certification.

Conclusion

Based on our review, subcontracted services documented in the submitted invoices were generally consistent with Permit requirements and the County's Work Authorizations issued to the subcontractor. However, payment requests and status reports were not always submitted timely as required. In addition, the Grant Manager had not obtained the County's subcontract or Work Authorizations, which provided requirements for the submitted monitoring reports and established funding for the subcontract. This funding was less than funding available under the Agreement.

Report: A-1819DEP-027

Findings and Recommendations

Finding 1: Payment Request and Required Status Reports

According to the Agreement, payment requests were to be submitted within 30 calendar days following the completion of the quarter. In the Program Specific Requirements of the Agreement, the County was required to submit status reports describing work performed during the reporting period. These reports were required to be submitted to the Department's Grant Manager no later than 30 calendar days following the completion of the invoice period. Of the three payment requests and associated status reports submitted by the County for the Agreement period, one was submitted within 30 days as required.

Recommendation:

We recommend the Division work with the County to ensure invoices and required status reports are submitted to the Department in a timely manner as required under the Agreement.

Finding 2: Task Deliverables and Agreement Funding

According to the Agreement Grant Work Plan, required deliverables included a copy of the County's subcontract, paid subcontractor invoices, the subcontractor's engineering plan, testing, and status reports. The Grant Manager had not obtained a copy of the County's subcontract which outlined issuance of Work Authorizations for annual monitoring activities. The Grant Manager had also not obtained Work Authorizations 10 and 11 outlining activities and costs for subcontract activities during the Agreement period. These documents were obtained from the County during our audit. Both Work Authorizations were issued in November 2017, prior to the execution of the Agreement, and included tasks totaling \$63,700. Since the Work Authorizations issued by the County were not obtained prior to the execution of the Agreement,

Report: A-1819DEP-027

the Grant Manager was not aware of the funding discrepancy between the Agreement and County subcontract. As a result, \$27,209 of the available funding under the Agreement was unused.

According to article (9.2) (A) of the County's subcontract, *the design services provided to the county by the Consultant shall be certified by the appropriate architect, professional engineer and/or landscape architect registered to practice and in good standing in the State of Florida. Any project inspection services also shall be reviewed and shall be approved by such professionals.* Based on our review, one of the monitoring reports submitted with the County's third payment request had not been certified by a Professional Engineer as required. Subsequently, we obtained a revised report with the required certification. Since the County's subcontract had not been obtained and reviewed, the Grant Manager's ability to effectively review deliverables was limited.

Recommendation:

We recommend the Division work with the Grant Manager to ensure deliverables are obtained as required under the Agreement. Going forward, the Grant Manager should obtain both the County's subcontract and Work Authorizations applicable to the Agreement period prior to executing Agreements to ensure that available funding aligns with the County's planned activities.

Audit of Small County Consolidated Solid Waste Grant Agreement SC807 with Flagler County
Division of Waste Management

Report: A-1819DEP-027

To promote accountability, integrity, and efficiency in state government, the OIG completes audits and reviews of agency programs, activities, and functions. Our audit was conducted under the authority of Section 20.055, F.S., and in conformance with the International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, and Principles and Standards for Offices of Inspector General, published by the Association of Inspectors General. The audit was conducted by Brittany Watson and supervised by Valerie J. Peacock.

Please address inquiries regarding this report to the OIG's Audit Director by telephone at (850) 245-3151. Copies of final reports may be viewed and downloaded via the internet at <https://floridadep.gov/oig/internal-audit/content/final-audit-reports>. Copies may also be obtained by telephone (850) 245-3151, by fax (850)245-2994, in person or by mail at Department of Environmental Protection, Office of Inspector General, 3900 Commonwealth Boulevard, Mail Station #41, Tallahassee, FL 32399.

*Valerie J. Peacock,
Director of Auditing*

*Candie M. Fuller,
Inspector General*



Florida Department of Environmental Protection

Bob Martinez Center
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Rick Scott
Governor

Carlos Lopez-Cantera
Lt. Governor

Noah Valenstein
Secretary

Memorandum

TO: Valerie J. Peacock, Director of Auditing
Office of Inspector General

FROM: Tim Bahr, P.G., Director *TJ Bahr*
Division of Waste Management

SUBJECT: Response to Audit Report A-1819DEP-027
Audit of Small County Consolidated Solid Waste Grant Agreement
SC807 with Flagler County

DATE: February 13, 2020

The following is in response to the review of Small County Consolidated Solid Waste Grant Agreement SC807 with Flagler County conducted by the Office of Inspector General (OIG).

FINDING AND RECOMMENDATIONS

Finding 1: Payment Request and Required Status Reports

Recommendation:

We recommend the Division work with the County to ensure invoices and required status reports are submitted to the Department in a timely manner as required under the Agreement.

Division Response:

Corrective Action Plan: Division will contact each grantee and remind them to ensure invoices and required status reports are submitted to the Department in a timely manner as required under the Agreement.

Finding 2: Task Deliverables and Agreement Funding

Recommendation:

We recommend the Division work with the Grant Manager to ensure deliverables are obtained as required under the Agreement. Going forward, the Grant Manager should obtain both the County's subcontract and Work Authorizations applicable to the Agreement period prior to executing Agreements to ensure that available funding aligns with the County's planned activities.

Finding 2: Task Deliverables and Agreement Funding (con't)

Division Response:

Corrective Action Plan: The Division will obtain copies of both the County's subcontract and Work Authorizations applicable to the Agreement period as soon as possible as required by the agreement and its attachments. Grantees will be asked to submit copies of the documents to the DEP Grant Manager upon their execution when the sub-agreement negotiations will be completed after October 1. The new Small County Consolidated Solid Waste Management Grant Manager is also reaching out to all grantees to monitor progress in meeting Work Plan milestones and helping them modify their Work Plans when necessary to conduct additional tasks or improve ability to complete planned ones. The new DEP Grant Manager will be reporting quarterly to the Program Administrator on the progress of each grantee in meeting its Work Plan commitments. Should unforeseen circumstances result in funding not being used the Grant Manager will work with the grantee to revise the Work Plan to ensure funds are used.