



Department of Environmental Protection Office of Inspector General

April 24, 2023

Report A-2223DEP-003

Audit of Title V Agreement with Palm Beach County

INTRODUCTION

The Florida Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an audit of Grant Agreement TV023 (Agreement) between the Department's Division of Air Resource Management (Division) and the Florida Department of Health in Palm Beach County (County) for Title V funding of air pollution control. This audit was initiated as a result of the OIG's Annual Audit Plan for Fiscal Year 2022-2023.

AUDIT SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of the audit included activities funded through the Agreement between the Department and the County to provide Title V financial assistance. Specifically, the scope included activities during the period beginning August 23, 2021, through June 30, 2022.

The objective of the audit was to:

Determine whether reimbursement to the County under the Agreement were for Title V costs as described in Section 403.0872, Florida Statutes (F.S.).

To achieve our audit objective, our methodology included:

- Reviewing the Agreement with the County
- Reviewing Section 403.0872, Florida Statutes
- Reviewing Florida Accountability Contract Tracking System and Oculus data for the Agreement from August 23, 2021, through June 30, 2022
- Interviewing Division and County staff regarding invoice submission, Division agreement monitoring and County expenditures

BACKGROUND

Title V of the Clean Air Act requires major sources of air pollutants to obtain an operating permit and operate in compliance with the terms of the permit. Pursuant to the Clean Air Act Amendments of 1990, the U.S. Environmental Protection Agency delegated to the Department the responsibility of issuing Title V operating permits and ensuring ongoing compliance with permit requirements. According to Section 403.0872, F.S., the Department's responsibilities managing Title V operating permits are to be funded through annual collection of operation license fees on the emissions from each major source of air pollution within the State.

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The Division manages Title V activities for the Department and has entered into specific operating agreements with eight Local Programs. These Local Programs are responsible for monitoring the compliance of applicable facilities within their jurisdiction and assisting the Division with issuing new or renewed operating permits. Local Programs' expenses related to Title V activities, which qualify under Section 403.0872(11)(b), F.S., are reimbursed by the Division from Title V operations license fees deposited in the Air Pollution Control Trust Fund.

The Department executed the Agreement to provide financial assistance to the County for Title V activities conducted during FY 2021-2022 and FY 2022-2023. The Agreement provided for reimbursement of the County's direct salary expense, fringe costs, and indirect costs that were directly related to Title V activities.

RESULTS OF AUDIT

During the audit, we reviewed invoices submitted by the County and the County's General Ledger. Based on our review we found the following:

We compared the reimbursements to the County for FY 2021-2022 with the budget specified in the Agreement and found that all categories were reimbursed at or below the Agreement requirements:

Category	Budgeted Amount	Reimbursements	Difference
Salaries/Wages	\$52,287.75	\$52,287.75	\$0.00
Fringe Benefits	\$24,941.25	\$24,921.24	\$0.01
Indirect Costs	\$26,798.46	\$26,798.45	\$0.01
Total	\$104,027.46	\$104,027.44	\$0.02

We reviewed the maximum hourly rate specified in the Agreement with the actual hourly rates paid and invoiced by the County. The hourly rates invoiced by the County did not exceed the maximum hourly rate allowed by the Agreement. The invoiced salary costs and payroll reports were also consistent with the timesheets that were provided by the County. In addition, invoiced amounts for fringe and indirect costs did not exceed the maximum allowable amounts based on the multipliers stated in the Agreement.

According to the Agreement, the staff performing the services should possess the knowledge, skills, and abilities. We verified staff who performed invoiced activities were qualified and trained as required.

Attachment 6 of the Agreement requires the County to submit the Payment Request Summary Form and the Title V Activity Report along with any supporting documentation per the required timeframes. We verified the quarterly invoices were submitted as required. All four invoices contained mathematical (rounding) errors that the Division's Grant Manager had corrected the errors prior to approving the invoices for payment. The Division's Grant Manager had notified the County of the continued error. We verified the County has submitted correct invoices during the second year of the Agreement.

CONCLUSION

Based on our review, the County was reimbursed for expenditures within the restrictions of the Agreement.

STATEMENT OF ACCORDANCE

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The Mission of the OIG is to promote accountability, integrity, and efficiency by providing quality audits, investigations, management reviews, and technical assistance.

This work product was prepared pursuant to § 20.055, Florida Statutes, in accordance with the *Principles and Standards for Offices of Inspectors General* as published by the Association of Inspectors General and the *International Standards for the Professional Practice of Internal Auditing*, as published by the Institute of Internal Auditors, Inc. The audit was conducted by William Bull and supervised by Candie M. Fuller.

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