

**Audit of Title V Program Agreements S0824 and TV001  
with Broward County**

**Division of Air Resource Management**

**Report: A-1819DEP-029**

**Office of Inspector General**

**Internal Audit Section**

**Florida Department of Environmental Protection**

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The Office of Inspector General (OIG) conducted an audit of Agreements S0824 and TV001 (Agreements) between the Division of Air Resource Management (Division) and Broward County (County) for Title V funding of air pollution control. This audit was initiated as a result of the Fiscal Year (FY) 2018-2019 Annual Audit Plan.

## **Scope and Objectives**

The scope of the audit included financial assistance provided to the County for Title V activities beginning July 1, 2016, to date. The objective was to determine whether reimbursements to the County under the Agreements were for Title V costs described in Section 403.0872, Florida Statutes (F.S.).

## **Methodology**

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

## **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 approved the Department's Title V program for processing 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 funded through the annual collection

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of operation license fees for the emissions from each major source of air pollution in the State.

The Division manages Title V activities for the Department and has entered into specific operating agreements with six 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. The Department executed Agreement S0824 for FY 2015-2016 and FY 2016-2017 and Agreement TV001 for FY 2017-2018 and FY 2018-2019 to provide financial assistance to the County for Title V activities. These Agreements reimbursed the County's salary expenses, fringe costs, and indirect costs related to Title V activities. The table below reflects budgeted funding and reimbursements to the County.

<b>Agreement</b>	<b>Budget</b>	<b>Reimbursements</b>	<b>Difference</b>
Agreement S0824 FY 2016-2017	\$ 107,562.13	\$32,223.23	\$75,338.90
Agreement TV001 FY 2017-2018	\$55,428.12	\$55,428.12	\$0
Agreement TV001 FY 2018-2019 <sup>1</sup>	\$55,662.36	\$34,588.09	\$21,074.27
<b>Total</b>	<b>\$218,652.61</b>	<b>\$122,239.44</b>	<b>\$96,413.17</b>

## Results

We reviewed FY 2016-2017 quarterly invoices for Agreement S0824 and FY 2017-2018 and FY 2018-2019 quarterly invoices for Agreement TV001. Payment requests were submitted within thirty days as required, with the exception of three quarterly invoices in FY 2017-2018. This was primarily due to delayed execution of Agreement TV001. Quarterly invoices reflected salary costs for Title V activities within the stated Agreement periods.

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<sup>1</sup>TV001 FY 2018-2019 included invoices for the first three quarters.

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We reviewed support documentation for salary costs submitted in a sample of three quarterly invoices<sup>2</sup>. For the sampled quarters, invoiced activities were within budgeted amounts and were in compliance with the requirements under the Agreement Grant Work Plans. We further verified payroll reports and salary rates provided by the County were consistent with the Agreements. Hourly rates invoiced by the County did not exceed maximum hourly rates allowed under the Agreements. Invoiced amounts for fringe and indirect costs did not exceed the maximum allowable amounts based on the multipliers stated in the Agreement Grant Work Plans. Invoiced salary costs and payroll reports were also consistent with individual staff Timesheet Reports with minor differences.

Under Agreement S0824 FY 2016-2017, the County's reimbursement requests were \$75,338.90 less than budgeted, but accurately reflected the County's documented time spent on Title V activities. Subsequently, annual budgets were reduced under Agreement TV001 to align funding with anticipated activity and costs.

According to the Agreement Grant Work Plans, staff should possess the knowledge, skills, and abilities for the Broadband Position Classifications according to the Grantee's website<sup>3</sup>. We verified staff who performed invoice activities were qualified and trained as required.

The Agreements require the County to submit quarterly Title V Activity Reports documenting Title V program activities, including permit documents, compliance inspections, and review of Annual Operating Reports, Stack Test Reports, Visible Emission Test Reports,

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<sup>2</sup>Sample includes the 4<sup>th</sup> quarter during FY 2016-2017, the 3<sup>rd</sup> quarter during FY 2017-2018, and the 2<sup>nd</sup> quarter during FY 2018-2019.

<sup>3</sup>Staff qualifications are described at <http://www.broward.org/HumanResources/Pages/Classifications.aspx>.

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Continuous Monitor Reports, and other miscellaneous reports. We compared activities contained in these reports' support documentation for a sample of 26 activities. All sampled documents were consistent with the reported activities and contained the activities' required information.

## **Conclusion**

Based on our review of quarterly invoices and support for salary costs, reimbursements to the County for Title V activities were in compliance with the Agreements. In addition, reported Title V activities were supported by activity documents maintained by the County and the Division.

*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 Angie Cringan 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.*

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