



Department of Environmental Protection Office of Inspector General

March 10, 2023

Report A-2223DEP-001

Audit of the Florida Recreation Development Assistance Program Agreement A1072 with Village of Wellington

INTRODUCTION

The Office of Inspector General (OIG) conducted an audit of the Florida Recreation Development Assistance Program (FRDAP) Grant Agreement A1072 (Agreement) for the Greenbriar Park Project (Project) between the Department of Environmental Protection (Department) and Village of Wellington (Grantee). This audit was initiated as a result of the Fiscal Year (FY) 2022-2023 Annual Audit Plan.

SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of the audit included requirements, deliverables, and reimbursement associated with Agreement A1072 from the effective beginning date, July 1, 2020, to the closeout date December 16, 2021.

The objectives were to:

- Determine whether required deliverables were completed in accordance with the Agreement.
- Evaluate Department management oversight and controls over the Grantee's compliance with the Agreement.

To achieve our audit objectives, our methodology included:

- Reviewing applicable statutes, regulations, and internal operating procedures.
- Reviewing documentation from the Department Grant Manager and the Grantee.
- Interviewing appropriate Department staff and management regarding processes and controls.
- Interviewing the Grantee regarding Project development and process.

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BACKGROUND

Under Section 375.075, Florida Statutes (F.S.), the Department is authorized to provide grants, through the FRDAP, to qualified local governmental entities to acquire or develop land for public outdoor recreation purposes. The Department reviews Grant Applications to determine eligible applicants. The applicants are split between small and large projects. The Department determines a priority list based on evaluation criteria pursuant to Rule 62D-5.055(7), Florida Administrative Code.

Outdoor Recreation; financial assistance to local governments. Section 375.075(1), F.S.

(1) The Department of Environmental Protection is authorized to establish the Florida Recreation Development Assistance Program to provide grants, subject to legislative appropriation, to qualified local governmental entities to acquire or develop land for public outdoor recreation purposes. The department shall develop and plan a program that must be based upon the funding appropriated by the Legislature for such purpose.

On November 5, 2020, the Department entered into a cost reimbursement Agreement with the Grantee to fund a Project at Greenbriar Park for \$50,000 with an end date of June 30, 2023. The Project was to develop a new volleyball court, soccer field, picnic facilities, and install new landscaping. The Agreement included two Deliverables for the Grantee to complete prior to receiving the Grant disbursement. Upon completion of the first Deliverable, the Department would issue a Notice to Commence. Once the Notice to Commence is issued, the Grantee could begin development of the Project. Upon completion of the second Deliverable, the Grantee could then request reimbursement for allowable costs pursuant to the Agreement directly related to the successful development of the Project site.

- Deliverable 1
 - All applicable Project specific Commencement documentation listed on *Commencement Documentation Checklist* (DRP-107)
 - A Cost Analysis Form, with detailed budget
- Deliverable 2
 - Development of required Project elements: Develop new volleyball court, soccer field, picnic facilities, and install new landscaping
 - All applicable Project specific Completion documentation listed on *Completion Documentation Checklist* (DRP-111)
 - Final *Project Status Report* (DRP-109)

Upon approval of Deliverable 1, the Department issued a Notice to Commence on March 2, 2021. The Grantee proceeded with development of the Project. The *Project Completion Certification* (DRP-112), was completed by the Grantee to reflect the actual cost being requested for the Project which was completed on August 18, 2021. The cost is broken down by Project element in the following table.

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Primary Facilities/Areas	Actual Costs
<i>New Volleyball Court</i>	\$24,614.39
<i>New Soccer Field</i>	\$5,250.00
<i>New Picnic Facilities</i>	\$19,235.61
Support Facilities/Areas	Actual Costs
<i>New Landscaping</i>	\$900.00

Upon approval of Deliverable 2, the Department issued a reimbursement to the Grantee in the amount of \$50,000 on December 9, 2021. A closeout letter was issued by the Department on December 16, 2021.

RESULTS OF AUDIT

Completion of Project Elements and Deliverables

To determine if the Grantee completed the Project and Deliverables in accordance with standards of the Agreement, documentation provided by the Department Grant Manager was reviewed and tested against authoritative criteria identified within the Agreement. Any discrepancies found were then addressed with both the Department Grant Manager and the Grantee.

In accordance with Deliverable 1, the Grantee was required to provide applicable items from the *Commencement Documentation Checklist* (DRP-107) and a Cost Analysis Form within 180 calendar days after the Execution of Agreement, November 5, 2020. The Department Grant Manager was required to approve the Deliverable within 30 days of receipt per the Agreement's acceptance process in Attachment 1. Upon approval of the Deliverable, a Notice to Commence would be issued. Per the Agreement, Attachment 6 and the Grant Work Plan, the Grantee was not to proceed with development of the Project until the Notice to Commence was issued.

Upon completion of Deliverable 1 and after receiving the Notice to Commence, the Grantee could begin work on Deliverable 2. There were three parts of Deliverable 2.

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Deliverable 2A was to develop the primary and support Project elements: new volleyball court, soccer field, picnic facilities, and install new landscaping. Deliverable 2B was to complete the applicable Project specific documentation on the *Completion of Documentation Checklist* (DRP-111); *Project Completion Certificate* (DRP-112), final “as built” site plan, Florida Recreation and Parks Inventory Form describing entire park, photos of completed Project elements including acknowledgement sign, *Notice of Limitation of Use* statement filed (DRP-113), and *Final Payment Request* (DRP-115). Deliverable 2C was to complete and submit the final *Project Status Report* (DRP-109).

The Grantee completed the Deliverable 1 items and submitted their commencement documentation on February 10, 2021. The Grant Manager approved the Deliverable and issued the Notice to Commence on March 2, 2021. The Agreement stated no work should proceed on the Project until the Department had issued the Notice to Commence. The Grantee confirmed development of the Project elements started in February 2021 and the work completed is shown in the second Status Report. The Grantee submitted the close out documentation on September 15, 2021, including all required documentation for Deliverables 2A-C. Photos included in the close out documentation showed all Project elements as complete, but subsequent site inspection photos showed a discrepancy with the picnic facility. The picnic tables in the initial photos included in the close out documentation showed older picnic tables. The site inspection photos showed new picnic tables sitting on concrete slabs. According to the Grantee, the picnic tables, in the close out photos, were tables already owned by the Grantee that were temporarily put in place due to the picnic facility items being on backorder. Attachment 6 of the Agreement, allowed for alterations to the Project site plans only after written approval by the Department. Project and invoice costs on the DRP-115 payment request form were reduced to reflect the Grant Award amount. There were additional Project costs that were not included with the closeout documentation for the Department Grant Manager’s review. Upon request, the invoices and documentation related to the additional Project costs were provided by the Grantee. The Certification *Notice of Limitation of Use* statement (DRP-113), was signed and notarized, as required. The final *Project Status Report* was signed on August 30, 2021 and provided along with the close out documentation on September 15, 2021.

Compliance with Agreement and Management Oversight

To evaluate Department management’s oversight and controls over the Grantee’s compliance with the Agreement, the documentation provided by the Department Grant Manager and Grantee was reviewed. The Grantee submitted documentation for commencement of the project and cost analysis as part of Deliverable 1 to the Department Grant Manager on February 10, 2021. Per Attachment 1 of the Grant Agreement, the Department Grant Manager had thirty days to review and accept this Deliverable or it would be considered rejected. The Department Grant Manager reviewed the package of Deliverables, compared documentation to the *Commencement*

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Documentation Checklist, approved, and issued a Notice to Commence on March 2, 2021.

After the Notice to Commence was issued, the Grantee was required to complete Task 2 and provide Deliverables 2A-C to the Department Grant Manager. These Deliverables included development of required Project elements and all applicable Project specific items from the *Completion Documentation Checklist* (DRP-111) as well as completion of the final *Project*

Grant Agreement Attachment 6
Notice to Commence

2. Notice to Commence.
*Prior to commencement of the Project, the Grantee shall submit to the Department for approval all documentation and completion of responsibilities listed on the Commencement Documentation Checklist, DRP-107. In addition to the Checklist items, the Grantee shall submit a copy of all executed subcontracts to the Department. Upon satisfactory approval by the Department, the Department will issue written "Notice to Commence" to the Grantee to commence the Project. **The Grantee SHALL NOT proceed until the Department issues the "Notice to Commence."***

Status Report DRP-109). The Grantee submitted these Deliverables to the Department Grant Manager as part of the close out documentation on September 15, 2021. The Grant Manager reviewed this information and requested better photos of the soccer field. The required final "as built" site plan provided by the Grantee did not match the photos of the final Project site. The Department Grant Manager did not address this discrepancy. The Florida Recreation and Parks Inventory form included discrepancies between what was shown in photos that were provided and the information listed on the form. The Grant Manager reviewed the form for items similar to the Project elements and did not consider pre-existing items. The *Payment Request Summary Form* (DRP-115), submitted reflected a total project cost of \$50,000. The *FRDAP Financial Reporting Procedures* (DRP-110), indicated that form DRP-115 should reflect the summary of current and cumulative Project costs to date. Per invoices included in the close out documentation and invoices provided by the Grantee, the amount on the DRP-115 had been reduced to the Grant Award amount and did not reflect actual Project costs. The Department Grant Manager stated it is normal procedure for the Grantee to have the costs listed not to exceed the project award amount. The Grant Manager did not reach out to confirm if additional work was done on the Project outside the invoices that were provided.

Per Attachment 1 of the Agreement, the Grantee's costs, to include any subcontractor cost, must be in compliance with State of Florida laws, rules and regulations applicable to expenditures of State funds including the *Reference Guide for State Expenditures*. The invoices provided by the Grantee for reimbursement were reviewed for compliance with the applicable requirements. Based on our review and discussions with the Grantee, it was determined all reimbursed costs were eligible and in compliance with the Agreement. The Grantee confirmed that a portion of the work related to the Project elements was done by their own employees including work in February on the volleyball court and soccer field, prior to the Notice to Commence, and in September on the picnic facilities, after the Certification of Completion.

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The Grant Manager was also responsible for reviewing invoices submitted by the Grantee. Invoices were required for compliance with laws, rules, and regulations applicable to State expenditures including the *Reference Guide for State Expenditures*. The Grant Manager stated they reviewed invoices and services to confirm they were necessary and reasonable for the work performed on each Project element. However, the Grant Manager did not confirm that the invoices met State expenditure requirements and no processes were in place to confirm invoices were directly related to the Project. In addition, the Grant Manager did not confirm when the work was done nor if there were additional subcontractors or invoices associated with the Project based on the Project cost exceeding the awarded amount.

The Grant Manager was responsible for oversight of Project development including insurance for the Grantee and subcontractors. Subcontractors working on the Project are required to carry the same insurance as the Grantee. The Grant Manager requested proof of insurance for the Grantee but not for the subcontractors. The proof of insurance provided for the Grantee only covered a portion of the Grant period from October 1, 2020, to October 1, 2021. The Grantee was required to have insurance for the length of the Grant period. In accordance with Attachment 2 of the Agreement, the required insurance was obtained by the Grantee and all subcontractors.

In accordance with the Program Specific Requirements, Attachment 6 of the Agreement, the Grantee is required to submit a *Project Status Report* Form tri-annually no later than January 5th, May 5th, and September 5th to the Department's Grant Manager. All three *Project Status Reports* were provided by the Department's Grant Manager. The January *Project Status Report* indicated that only design work had been done. The May *Project Status Report* included photos of the Project development that matched description of work noted on the report. Invoices

**Grant Agreement Attachment 1
Insurance Requirements for Sub-Grantees and/or
Subcontractors**

12. Insurance
a. Insurance Requirements for Sub-Grantees and/or Subcontractors. The Grantee shall require its sub-grantees and/or subcontractors, if any, to maintain insurance coverage of such types and with such terms and limits as described in this Agreement. The Grantee shall require all its sub-grantees and/or subcontractors, if any, to make compliance with the insurance requirements of this Agreement a condition of all contracts that are related to this Agreement. Sub-grantees and/or subcontractors must provide proof of insurance upon request.

**Grant Agreement Attachment 6
Florida Recreation Development Program**

9. The Following replaces paragraph 10, Attachment 1, Standard Terms and Conditions:
Status Reports.
a. The Grantee must utilize, Project Status Report Form, DRP-109, available online and incorporated herein by reference, to describe the work performed during the reporting period, problems encountered, problem resolutions, schedule updates and proposed work for the next reporting period. The Project Status Reports must be submitted to the Department's Grant Manager no later than January 5, May 5, and September 5. The Department's Grant Manager has thirty (30) calendar days to review the required reports and deliverables submitted by the Grantee.

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provided to the Department Grant Manager did not reflect the work completed and the Grant Manager did not confirm when the work was done or who performed the work. The *Project Status Reports* for January and May were submitted by the Grantee prior to respective deadlines. The *Project Status Report* due on September 5th was submitted on September 15, 2021, with the Project close out documentation. The Department Grant Manager did not address the final *Project Status Report* being submitted after the due date set out by the Agreement. The *Project Status Report* stated that all Project elements were completed by August 30, 2021. Based on communications with the Grantee, the picnic facilities were completed in September by Grantee employees. The photos from site inspections confirmed the picnic facilities were completed after the final *Project Status Report* was submitted. The Grantee confirmed that the picnic tables shown in the final *Project Status Report* were ones already owned by the Grantee and temporarily put in place as the new picnic tables were on back order. None of the *Project Status Reports* provided proposed work for the next reporting period and the final *Project Status Report* did not indicate any problems encountered with the installation of the picnic facilities. The Department Grant Manager confirmed that all *Project Status Reports* are reviewed upon receipt, but no correspondence is sent to the Grantee in response to the *Project Status Reports* unless there was an issue to address with the report. The Grant Manager stated that all *Project Status Reports* were approved upon receipt.

CONCLUSION

Based on documentation reviewed and discussions with the Grant Manager and Grantee, the Project appears to have been completed as required by the Grant Agreement, with some exceptions. Our findings and recommendations are listed below.

FINDINGS AND RECOMMENDATIONS

Finding 1: Department Oversight – The Grantee did not always comply with the requirements of the agreement.

Based on our review we found a lack of Department oversight regarding certain requirements specified in the Agreement, including, *Project Status Reports*, documentation checklists, invoice review, insurance requirements, and work completed outside the project timeline.

Project Status Report Requirements

In accordance with Attachment 6 of the Agreement, the Grantee is required to submit tri-annual *Project Status Reports* with due dates of January 5th, May 5th, and September

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5th. The *Project Status Reports* were required to describe the work performed during the reporting period, problems encountered, problem resolutions, schedule updates and proposed work for the next reporting period. A final *Project Status Report* was due prior to reimbursement request as part of the Deliverable 2C outlined in the Grant Work Plan. The *Project Status Reports* did not include all information required in the Agreement. *Project Status Reports* did not include proposed work for the next reporting period nor included any problems encountered or problem resolutions. The Grantee confirmed that problems were encountered with the picnic facility Project element during the last *Project Status Report* but were not included on the report. The Grantee provided the *Project Status Report* due September 5, 2021, on September 15, 2021, as the final *Project Status Report* with close out documentation.

The process during the Grant period, according to the Department Grant Manager, was to accept the report late if the close out package and reimbursement were submitted within the same month as the due date. They have since changed this process to have due dates match the Agreement language and to have a separate final *Project Status Report* submitted with close out documents. The incomplete *Project Status Reports* appear to be an oversight issue by the Grant Manager. Not ensuring the *Project Status Reports* are complete, may lead to the Grantee changing project plans and the Grant Manager not being aware.

Documentation Checklist

The Agreement included requirements for Deliverable 2B on Attachment 3, Grant Work Plan, as the development of *Completion of Documentation Checklist* (DRP-111). The required items on the checklist include the final “as-built” site plan, Florida Recreation and Parks Inventory Form, *Project Completion Certification* (DRP-112) and the final payment request on DRP-115. A few discrepancies were found when reviewing the items. The final “as-built” site plan did not match the Project site. The Grantee may alter a conceptual site plan only after written approval by the Department. They did not request approval and the change to the Project was not addressed by the Grant Manager. The Florida Recreation and Parks Inventory Form did not reflect the correct number of items for the entire park. The Florida Recreation and Parks Inventory Form listed two shelters, but photos in the close out documents indicated that four shelters were at the park. At the time of the site inspection, the number of picnic tables was also incorrect. Per the *Completion Documentation Checklist*, Florida Recreation and Parks Inventory Form should describe the entire park. The *Project Completion Certificate* reflected an inaccurate completion date of August 18, 2021. The Grantee confirmed that the Project wasn’t complete until September 2021. The *Payment Request Summary Form* did not reflect the full cost of the Project. The amount reflected on the form was only invoices totaling up to the Grant Award amount. The *Financial Reporting Procedures* (DRP-110), states that payment request, DRP-115, should list current and cumulative project costs.

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The Grant Manager confirmed that it was normal procedure for the Grantee to only include costs up to the Grant Award amount when filling out the DRP-115. When the Florida Recreation and Parks Inventory Form was reviewed, the Grant Manager only checked for Project elements to be listed and did not consider items previously at the location. The Grant Manager did not notice the discrepancy between the final “as-built” site plan and the final Project site. The Grantee did not inform the Grant Manager of a change in the site plan from the original to the final Project site. The inaccuracy of the Project Completion Certificate’s date could not have been determined by the Department Grant Manager until a site inspection was completed; however, the inaccurate date was not noted during or after the site inspection. These oversight issues could lead to the final Project deviating from the approved Project site plan and subcontractors not meeting the requirements of the Agreement. Additionally, not having a complete list of Project costs could also cause issues for the reimbursement process as some invoices may be ineligible for reimbursement.

Invoice Review by Grant Manager

Some invoices did not meet the State expenditure requirements, and some invoices did not show relation to the Project. Costs provided on a reimbursement request must be in compliance with laws, rules, and regulations applicable to State expenditures, including the *Reference Guide for State Expenditures*. An analysis of the invoices provided to the Department Grant Manager was conducted. Two invoices initially provided by the Grantee did not meet State requirements. The two invoices were for services provided for the Project; however, the invoices did not include service dates. In addition, three invoices could not be tied directly to the Project, as submitted. One invoice provided a job location of “Mr. Belcourt Volleyball Court,” another invoice provided a job location as “Greenbriar Dog Park” and the third invoice did not provide a location of the work performed on the invoice. The Grantee provided clarifying documentation for each of these invoices during the audit.

The Department Grant Manager stated they reviewed invoices to confirm they were necessary and reasonable for the work performed. They did not verify that invoices met State expenditure requirements nor had any procedures to confirm invoices were tied to a project. Without verifying Project expenditures, it is possible that some invoices may be approved and not be related to the Project or may not meet the requirements of the Agreement. Additionally, the Grantee may be reimbursed for ineligible expenditures.

Insurance Requirements

The Department Grant Manager did not confirm the Grantee or the Subcontractor were in compliance with the insurance requirements as specified in the Agreement. The Grantee and any of its subcontractors are required to carry insurance during the Grant period. The Grantee is responsible for ensuring subcontractors comply with insurance requirements when working on the Project. The Department Grant Manager did not

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confirm if subcontractors had the required insurance. Insurance for the Grantee was only confirmed during a portion of the Grant period. The Grantee provided insurance information during the audit process for themselves and the subcontractors.

The Department Grant Manager requested proof of insurance from the Grantee, but it did not cover the full Grant period. The Department Grant Manager stated they did not verify insurance during the rest of the Grant period due to COVID. The Department Grant Manager did not verify whether subcontractors on the Project carried the required insurance. The risk of not verifying insurance may lead to subcontractors or grantees working on a project while not having the required insurance.

Project Work Completed Outside of the Approved Project Timeline

Project development occurred prior to Notice to Commence and after the *Project Completion Certification* was submitted. The Agreement included a timeline for when development of Project elements were to take place. Per Attachments 3 and 6, the start of Project development was to take place after the Grantee submits Deliverable 1 and the Department Grant Manager issued the Notice to Commence. The Notice to Commence was issued by the Department Grant Manager on March 2, 2021. The completion of Deliverable 2, including development of Project elements, was required prior to reimbursement being requested. The Grantee submitted the *Project Completion Certification* (DRP-112) and *Payment Request Summary Form* (DRP-115) on September 15, 2021. The documentation showed Project development was completed on August 18, 2021. The Grantee confirmed that their staff started work on the Project in February 2021. The Grantee also confirmed the picnic facility Project element wasn't completed until the end of September 2021. Site inspection photos showed that picnic facility Project element was not completed until after submission of the reimbursement request.

The Department Grant Manager did not take steps to confirm when the Grantee worked on Project development. Per the Department Grant Manager's response, they did not believe there was an authorized period for the Grantee to begin or complete the Project. Additionally, the Department Grant Manager did not notice a discrepancy during the site inspection that showed the Project was not complete. Without verifying Project work, Project development may begin prior to Department approval. Also, the Grantee may request and obtain reimbursement prior to completing Project elements required by the Agreement.

Recommendations:

We recommend the Department:

- 1.1** Strengthen internal controls, including procedures and processes, over grant management oversight to ensure compliance with grant agreements. Specifically, whether invoices comply with the *Reference Guide for State Expenditures*, verifying reimbursement requests are directly related to the

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grant project, documentation is provided by the grantee timely and completely, insurance is held in accordance with the agreement, and the grantee is not reimbursed for work completed outside the Grant period.

- 1.2 Provide training to Department Grant Managers regarding oversight of grant agreement requirements.

Management Response

The Division has reviewed the findings as outlined in 1.1 and 1.2 of the Audit Report regarding the Village of Wellington – Greenbriar Park – A1072 and agrees with the findings. Staff acknowledges that during the COVID-19 outbreak when most employees were asked to work from home, adjusting to telecommuting, and reduced levels of personnel altered the effectiveness of communication on several fronts.

Since the Audit period, two new professional staff members have been hired to manage agreements and an OPS staff assistant has been hired to assist with administrative functions of processing agreements, thereby providing greater oversight of agreements in general. To augment internal controls and ensure program compliance, staff has adopted the Reference Guide for State Expenditures as part of our Standard Operating Procedures. Grant Managers also are taking the Florida Certified Contract Manager (FCCM) training to improve their knowledge base.

STATEMENT OF ACCORDANCE

Statement of Accordance

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 Section 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 Robert Oakley and supervised by Candie M. Fuller.

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