

**Review of Agreement RM163 with
Florida International University Board of Trustees for
Intergovernmental Interchange of Public Employees**

Florida Coastal Office

Report: A-1819DEP-008

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

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3900 Commonwealth Boulevard, MS 40
Tallahassee, Florida 32399-3000

<https://floridadep.gov/>





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The Department of Environmental Protection (Department), Office of Inspector General (OIG) conducted a review of Agreement RM163 (Agreement) between Florida International University Board of Trustees (FIU) and the Department's Florida Coastal Office (FCO), Rookery Bay National Estuarine Research Reserve (RBNERR). This review was initiated as part of the Fiscal Year (FY) 2018-2019 Annual Audit Plan.

Scope and Objectives

The scope of this review included activities and financial transactions under the Agreement during the period of July 1, 2017, through June 30, 2018. The objectives were to:

- Determine whether payments were made for activities and required deliverables in accordance with the Agreement
- Evaluate management oversight and control of performance and compliance under the Agreement

Methodology

This review was conducted in conformance with the current *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors, and under the authority of Section 20.055, Florida Statutes (F.S.). Our procedures included review of statutory and Agreement requirements, authoritative documentation, Agreement activity documentation, and interviews with RBNERR management and staff.

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Background

RBNERR receives federal funding from the United States Department of Commerce, National Oceanic and Atmospheric Administration (NOAA) through an annual non-competitive operations grant for management, education and monitoring at RBNERR. For the period beginning July 1, 2017, through December 31, 2018, RBNERR received \$673,000.00 from NOAA and provided required match funding of \$288,429.00 for five Full-Time Employee (FTE) positions and five contracted positions.

To meet the staffing needs for environmental support services, RBNERR entered into the Agreement with FIU on June 23, 2017, for a one-year period that expired June 30, 2018. The Agreement provided funding for the following nine positions: one Coastal Training Coordinator, two Education Specialists, one Volunteer Coordinator, one Facilities Specialist, three Research Specialists, and one FIU Program Manager. These staff, while employees of FIU, were considered on detail to the Department in accordance with Section 112.24, F.S., *Intergovernmental Interchange of Public Employees*.

The duties of each position were outlined in the Agreement's Scope of Work. Agreement payments were made monthly on a cost reimbursement basis. The funding allocated under the Agreement was \$502,989.00. RBNERR reimbursed FIU a total of \$472,655.16 for submitted costs under the Agreement.

Results and Conclusions

Payments for Activities and Required Deliverables

FIU was required to submit a monthly Detailed Activity Report listing the work performed by each employee, along with an invoice, including support documentation

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detailing salary and benefits paid to each employee and documentation of travel expenses. We compared invoiced rates and hours included with the Department's payment vouchers and support documentation for consistency with the rates in the Agreement. Invoiced costs were consistent with the Agreement Budget Detail including fringe benefits and overhead/indirect rates. The Department paid \$30,333.84 less than budgeted under the Agreement. This was due to staff turnover, temporary leave and a lower than budgeted rate for one employee. We verified monthly invoices were supported by salary and benefit payment documentation and Detailed Activity Reports were consistent with Agreement requirements.

Funding

Federal Grant F1034 awarded under NOAA, included funding for five of the positions included in the Agreement. Of the total Agreement payments approved by RBNERR management, \$331,438.57 was funded from the Federal Grants Trust Fund (FGTF), which was consistent with the federal funding received for the positions and allowable transfers. We also verified the required state match funding requirement was met through a review of salary documentation for Department staff and staff funded under the Agreement.

Agreement Budgeted Cost for Staff

Noncompetitive procurement of the Agreement was permitted under Sections 287.057(3)(12) and 287.057(21), F.S. These sections provide exemptions from competitive solicitation requirements if services are provided by governmental entities or a state university or college. According to Section 216.3475, F.S., if funding is awarded on a noncompetitive basis, the Department is required to maintain records supporting a cost analysis, which

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includes a detailed budget submitted by the entity awarded funding. We verified that FIU submitted a detailed budget to the Department.

The Environmental Administrator at RBNERR and the Director of the Marine Education and Research Initiative at FIU negotiated the terms of the Agreement. Salaries were supported by FIU job descriptions and comparable personnel classifications within the Department. Fringe benefits and overhead rates were supported by FIU's Rate Agreement with the federal government for FY 2017-18 as established by the Department of Health and Human Services. The overhead/indirect costs rate established by the Department of Health and Human Services for FY 2017-2018 was 26 percent. RBNERR negotiated the overhead/indirect cost rate to 15 percent for the Agreement. Based on a review of FIU employee payment documents for periods ending April 6, 2018, and April 20, 2018, the average fringe benefits payment to staff was consistent with the Agreement rates.

We compared the number of staff to positions funded under the federal grant and identified in the current RBNERR Management Plan. Based on staff interviews, a review of the current Management Plan and the most recent evaluation conducted by NOAA, staffing levels were consistent with RBNERR's environmental mission and goals.

Management Oversight and Control

The Scope of Work in the Agreement outlined required position duties and documented activities required with each monthly invoice. Based on our review of documentation demonstrating each employee's activities, as well as staff and management interviews, we verified that RBNERR provided supervisory oversight, input for employee evaluation, and effective control over staff activities. With minor exceptions, activities

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reported in the monthly Detail Activity Report were supported by reports, correspondence, meeting notes, and other documentation demonstrating that staff had met requirements for their positions. RBNERR management and administrative staff demonstrated a close working relationship with FIU administration to ensure staff met expectations under the Agreement.

To promote accountability, integrity, and efficiency in state government, the OIG completes audits and reviews of agency programs, activities, and functions. Our review 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 review was conducted by Jeffery S. Taylor 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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