

Review of Recreational Trails Program Agreement T1417 with the City of Fort Lauderdale

Division of State Lands

Report: A-1819DEP-031

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

October 18, 2019

Final Report

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

<https://floridadep.gov/>





Review of Recreational Trails Program Agreement T1417
with the City of Fort Lauderdale
Division of State Lands



Report: A-1819DEP-031

Table of Contents

Scope and Objectives	1
Methodology	1
Background	1
Results	3
Conclusion	10
Findings and Recommendations.....	10
Division Response.....	17

Review of Recreational Trails Program Agreement T1417
with the City of Fort Lauderdale
Division of State Lands

Report: A-1819DEP-031

The Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted a review of the Division of State Lands (Division) Recreational Trails Program (RTP) Agreement T1417 (Agreement) with the City of Fort Lauderdale (City). This review was initiated as a result of the Fiscal Year (FY) 2018-2019 Annual Audit Plan.

Scope and Objectives

The scope of the review included Agreement activities and payments to date for the Snyder Park Bike Trail Project (Project). The objectives were to:

- evaluate the City's compliance and the Division's oversight of the Agreement
- determine whether reimbursements made under the Agreement were for deliverables completed as specified in the RTP Project Grant Work Plan (Grant Work Plan)

Methodology

This review 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 a review of statutory and Agreement requirements, documentation of activities, and interviews with Division and City staff.

Background

RTP is a federally funded grant program from the Federal Highway Administration (FHWA) that provides financial assistance for development of recreational trails, trailheads, and trailside facilities. The Department's oversight of RTP is established under Section 260.016, F.S. and Chapter 62S-2.072(2)(a), Florida Administrative Code, (F.A.C.). In 2014, the City applied

Review of Recreational Trails Program Agreement T1417
with the City of Fort Lauderdale
Division of State Lands

Report: A-1819DEP-031

for RTP funding to construct an intermediate level mountain bike trail to be situated within Snyder Park (Park).

The Agreement, executed on February 17, 2015, provided \$200,000.00 RTP federal funding assistance with a local match funding requirement of \$50,000.00 toward the project cost of \$250,000.00. Under Agreement Attachment A, the Grant Work Plan Task 1 description, the Project included *design, engineering, and construction of approximately 1,800 linear feet, six-foot-wide, compacted rock bicycle trail with related support facilities and signage*. Three amendments were approved during the Agreement period extending the completion date to February 17, 2019. Adjustments to the scope of work were as follows:

Agreement Amendment/Dates	Scope of Work Revisions
Amendment 1 (12/21/2015)	Revised Task 1 to include: <i>the design, engineering, and construction of a bike trail approximately 3 to 4.5 miles long and 24-36" wide with noticeable elevation changes on uneven and loose surface that may exhibit exposed roots, rocks, and other natural obstacles as well as low manmade structures.</i> Project elements identified in Paragraph 4 of the Agreement were revised to match Task 1 revisions including: design, engineering, and construction of an intermediate skill level bike trail of approximately 3 to 4.5 miles long and 24-36" wide.
Amendment 2 (02/15/2017) Agreement expiration extended to 02/17/2019.	Revised Task 1 to include: <i>Development of Site Plan, Completion of Project Development and Environmental Survey (PD&E), Completion of Permitting, Completion of Construction Bid Process and/or In-House Cost Schedule(s), and Certified Survey and Legal Description of Project Site.</i> Added Task 2 ¹ to include: <i>Design, engineering, and construction of an intermediate skill level bike trail approximately 3 to 4.5 miles long (+/- 10%) and 24-36" wide (+/- 10%) with noticeable elevation changes on uneven and loose surface that may exhibit exposed roots, rocks, and other natural obstacles as well as low manmade structures.</i>
Amendment 3 (01/09/2018) Agreement expiration extended to 02/17/2019.	Revised Task 2 ² to include: <i>Construction of 1,800 Linear Feet of six-foot wide, compacted rock bicycle trail, with related support facilities and signage.</i>

¹ Amendment 2 revised Task 1 activities and added Task 2

² Per RTP Grant Manager, changes to the Task 2 scope of work in Amendment 3 were made in error using language from the original Agreement.

Review of Recreational Trails Program Agreement T1417
with the City of Fort Lauderdale
Division of State Lands

Report: A-1819DEP-031

In 2018, the RTP was organizationally relocated from the Office of Operations to the Land and Recreation Grants Section (Grants Section) within the Division. On March 20, 2019, the Department reimbursed the City \$186,117.12, which was 80% of the reported total Project cost of \$232,646.40.

Results

Compliance with Agreement

According to Paragraph 8 of the Agreement, *prior to commencement of the Project, the Grantee shall submit for Department approval the documentation described in the FDOT PD&E [Florida Department of Transportation Project Development and Environment] Manual, as provided in the PD&E Data Survey. The Project may not commence until completion of the Project Development and Environmental Process, an environmental determination is made by FHWA, and the Department notifies the Grantee in writing that construction of the Project may commence by issuance of the Notice to Proceed.* Based on documents obtained from the Grant Manager, the PD&E Data Survey identified that the northeast portion of the Park, which was the proposed Project site, has Federal Emergency Management Agency (FEMA) flood designations “AE” and “AH” that correspond with areas of shallow flooding with average depths of one foot or greater. However, an environmental determination was not obtained from FHWA. According to City engineering staff, once construction of the trail began, it was discovered that a large portion to the south was under water. As a result, the trail was adjusted to remain in the northern section, which was at a higher elevation and was expected to be mostly dry so the trail could be open year-round. This also caused the trail length to be shorter than planned. Based on

Review of Recreational Trails Program Agreement T1417
with the City of Fort Lauderdale
Division of State Lands

Report: A-1819DEP-031

discussions with the Grant Manager and the FDOT Realty Officer, RTP planning and commencement processes have since been revised to include increased oversight by DOT.

Paragraph 21(D)(a) of the Agreement states that the *Grantee may award, on a competitive bases, fixed price subcontracts to consultants/contractors in performing the work described in Attachment A*. We verified that the City awarded a construction contract for the Project on a competitive basis. According to Paragraph 14(A) of the Agreement, *the Grantee shall submit a copy of the executed subcontract to the Department within ten (10) days after execution*. The construction subcontract was awarded on January 18, 2017. The executed subcontract was not submitted to the Division within ten days, as required. However, due to control weaknesses identified through prior OIG reviews of RTP Agreements, the executed subcontract was subsequently obtained on July 9, 2018. We verified that the Scope of Work outlined in the subcontract included construction of a 24"-36"-wide, approximately 3.75-4- mile bike trail which was similar to the trail length as described under Amendment 1. The subcontract included requirements regarding the contractor's conformance with federal law.

According to Paragraphs 43 and 46 of the Agreement, the City is required to maintain specific insurance coverage. We obtained documentation demonstrating that the City maintained the required coverage throughout the Agreement period.

Documents required as part of the Project Commencement Packet are listed in Paragraph 9(c) of the Agreement included: *Boundary Map with legal description, Site Plan (signed and sealed), and List of Facilities to be Constructed (signed and dated), Pre-Construction Certification, Form OGT-12 (signed and dated), Grant Project PD&E Data Sheet, Form OGT-15 (with backup documentation)*. Additionally, Task 1; Deliverable 1 of Amendment 2 of the

Review of Recreational Trails Program Agreement T1417
with the City of Fort Lauderdale
Division of State Lands

Report: A-1819DEP-031

Agreement required that the City submit Form OGT-11³ documenting all applicable project specific commencement documentation, as well as a schedule of values form, with supporting bid documents and/or in-house cost schedule(s) in order for the Notice to Proceed to be issued. The Notice to Proceed was issued on April 6, 2017. The required documents were obtained; however, the site plan was not signed and sealed by an architect or engineer licensed in the State of Florida, as required under Paragraph 5 of the Agreement. While Correspondence received at the time of commencement indicated the Pre-Construction Certification was received on September 16, 2016, the Pre-Construction Certification obtained was signed by the City's Architect May 14, 2019. Since the original Notice to Proceed was issued in 2017, the Grants Section demonstrated that efforts have been made in establishing additional controls to ensure Grantee requirements are met prior to commencement.

Management Oversight

According to Paragraph 12 of the Agreement, the City was required to submit RTP status reports on a quarterly basis. Status reports were due no later than the fifth calendar day following completion of any quarterly reporting period. Prior to receiving reimbursement, the City submitted eight of the 15 required quarterly status reports. Of these, three were submitted on time following the completion of the quarterly reporting period. The Grant Manager provided documentation demonstrating that additional processes had been put in place in August of 2018 to better monitor Grantee submission of required status reports; however, the Grant Manager

³ Per the Division's RTP Grant Manager, Form OGT-11 is a guidance checklist that was not kept on file; however, the items listed on Form OGT-11 were submitted and approved during the commencement process.

Review of Recreational Trails Program Agreement T1417
with the City of Fort Lauderdale
Division of State Lands

Report: A-1819DEP-031

subsequently failed to obtain the final status report for this Project which would have included work completed as of December 31, 2018.

Based on discussions with the Grant Manager, changes to the scope of work in Amendment 1 were intended to align the Grant Work Plan and Agreement with the City's subcontract. Amendments 2 and 3 were executed to allow for time extensions. However, while drafting Amendment 3, the Project Work Plan was inadvertently changed back to the scope written in the original Agreement which included *Construction of 1,800 Linear Feet of six-foot wide, compacted rock bicycle trail, with related support facilities and signage.*

Paragraph 4 of the Agreement states that any revisions to the project elements must be formally requested and modifications reduced to writing in an amendment to the Agreement. Because portions of the Project site were flooded, necessary changes resulted in the trail location being adjusted to remain only in the northern section with a shortened trail length. This change was not formally requested as an amendment to the Agreement.

A Bureau of Design and Construction (BDC) staff member located in the Division of Recreation and Parks District Office assisted the Grants Section with the Project's Final Inspection. The Final Inspection document provided to the BDC staff member included an incorrect Project description which described the project as, *Maintenance and restoration of existing trail by replacing the existing six-foot wide bridge with a twelve-foot wide bridge.* In the report, the BDC staff indicated that Project elements were developed in accordance with the Project Agreement. The inspection report was signed October 15, 2018. On December 3, 2018, the Grant Manager added a note in the report stating that the Project description should read, *Construction of 1,800 Linear Feet of six-foot wide, compacted rock bicycle trail, with related*

Review of Recreational Trails Program Agreement T1417
with the City of Fort Lauderdale
Division of State Lands

Report: A-1819DEP-031

support facilities and signage. Corrections discussed with [staff member] prior to site inspection.

The BDC staff inspector is no longer employed with the Department.

Reimbursement for Project Deliverables

Documents required as part of the Project Completion Packet listed in Paragraph 9(D) of the Agreement and Task 2 deliverables included the Project Completion Certification, As-Built Site Plan (signed and sealed), List of Constructed Facilities and Improvements (signed and dated), Color Photographs of the Project (labeled), Notice of Limitation of Use/Site Dedication, Final Payment Request, Certification of FHWA Guidance, a final status report, Florida Recreation and Parks Inventory Form, Possession of RTP Guidance Certification, and Possession of the Land and Water Conservation Fund (LWCF) Manual Certification. We verified that documents required per Paragraph 9D of the Agreement and Task 2 deliverables were obtained with the exception of the As-Built Site Plan and final status report. The City submitted a boundary map as part of the completion documentation, rather than the As-Built Site Plans. Additionally, color photos were obtained, but were not labeled, as required. Task 2 deliverables were approved by the Division on March 11, 2019.

During the course of this review, the Grant Manager provided a copy of the City's Bid Set Plans originally contained in the subcontract that reflected the revised site plan. The Plans, as obtained from the City, were digitally signed by the City's Architect on May 14, 2019. The Grant Manager indicated the signed plans represented the As-Built Site Plan. Based on subsequent correspondence with the City's Architect, the final trail was estimated to be 1.4 miles in length.

Review of Recreational Trails Program Agreement T1417
with the City of Fort Lauderdale
Division of State Lands

Report: A-1819DEP-031

According to the Project Work Plan⁴ Payment Request Schedule, following Department approval of all RTP Project deliverables, *the Grantee may submit a single payment request on Payment Request Summary Form (DRP-115) along with all required documentation, including DRP-116 [Contractual Services Purchases Schedule Form], DRP-117 [Grantee Labor Cost Schedule Form], DRP-118 [Direct Material Purchases Schedule Form], DRP-120 [Grantee Stock Material Cost Schedule Form], and/or DRP-119 [Grantee Equipment Cost Schedule Form], as applicable, to support payment. A payment request submitted as part of the reimbursement process must correspond with the detailed budget and supporting documents provided under Task 1. The payment request must include documentation regarding the match source, as required.* The City's reimbursement request dated January 18, 2019, documented total project costs of \$232,646.40⁵. Support documentation included the Contractual Services Purchases Schedule Form, which listed the City's subcontractor pay requests totaling \$185,611.60, as well as engineering/permit fees totaling \$37,500.00. The payment request was also supported by the Direct Materials Purchases Schedule Form that documented direct materials purchases totaling \$9,534.80. The City's documented payments to the subcontractor were supported by invoices and the subcontractor's pay applications. Payments for direct material purchases were supported by subcontractor invoices.

The engineering/permit fees listed on the Contractual Services Purchases Schedule Form represented costs of services provided by staff employed by the City. Support for these costs included a table listing engineering fee amounts and dates. However, this list did not identify the

⁴ In Amendment 2, attachment A-2; the term Grant Work Plan changed to Project Work Plan.

⁵ Total Project costs as originally submitted by the City was \$244,664.40. This amount was adjusted to reflect \$37,500.00 in engineering/permit fees.

Review of Recreational Trails Program Agreement T1417
with the City of Fort Lauderdale
Division of State Lands

Report: A-1819DEP-031

position title, hourly rate, and number of hours for City staff, as required in the Project Work Plan, and the costs were not detailed on the Grantee Labor Cost Schedule Form as required. Subsequently, we obtained Project documentation from the City which supported the City's costs for Engineering Department staff. The City's Project detail records identified staff position titles, hourly rates, and number of hours, as required.

According to Chapter 62S-2.075, F.A.C., Project planning expenses such as architectural and engineering fees are eligible Project costs provided that such costs do not exceed 15% of the total Project cost. Code of Federal Regulations (CFR) Part 200.83 defines *Project Cost* as the *total allowable costs incurred under a Federal award and all required cost sharing and voluntary committed cost sharing, including third party contributions*. The total Project cost incurred, as submitted by the City was \$244,664.40. However, the Grant Manager allowed the City to include engineering costs calculated at 15% of \$250,000, which was the original Project cost listed in the Agreement. As a result, the Department paid more for engineering fees than allowed under Chapter 62S-2.075, F.A.C.

The Payment Request Summary Form was reviewed and approved by the Division's Grant Manager and the Grant Manager's Supervisor rather than the Division Director or designee as identified on the form. This level of approval was not consistent with Directive DEP 300, *Purchasing and Procurement of Commodities and Services, Development and Management of Recipient/Sub-Recipient Agreement; Contract Administration*, or supported by the Division's Delegation of Authority in DEP Directive 110.

Report: A-1819DEP-031

Conclusion

Based on our review, the Division did not effectively manage the City's compliance with the Agreement. The Division has worked with DOT to provide additional oversight of the RTP planning process. However, we noted a series of errors involving amendment of the Agreement, changes in the Project scope, status reports, oversight of final deliverables, and support for invoiced costs that resulted in Department payment for work that was inconsistent with the Agreement.

Findings and Recommendations

Finding 1: Amendments and Changes to the Project Scope

The Grant Work Plan in the original Agreement described the Project as *Construction of 1,800 Linear Feet of six-foot wide, compacted rock bicycle trail, with related support facilities and signage*. Changes in Amendment 1 revised the Project description to *the design, engineering, and construction of a bike trail approximately 3 to 4.5 miles long and 24-36" wide with noticeable elevation changes on uneven and loose surface that may exhibit exposed roots, rocks, and other natural obstacles as well as low manmade structures*. According to the Grant Manager, these changes were intended to align the Grant Work Plan and Agreement with the Project as included in the City's subcontract. Amendments 2 and 3 were executed to provide time extensions for Project completion. However, while drafting Amendment 3, the Grant Work Plan description was inadvertently changed back to the description from the original Agreement. As a result, the Project description in the final Amendment contained the incorrect requirement for *Construction of 1,800 Linear Feet of six-foot wide, compacted rock bicycle trail, with related*

Review of Recreational Trails Program Agreement T1417
with the City of Fort Lauderdale
Division of State Lands

Report: A-1819DEP-031

support facilities and signage. This Amendment was approved through both the Office of General Counsel (OGC) and the Office of Operations Director⁶.

In an added complication to the incorrect final Project description, the Grants Section had not obtained an environmental determination from FHWA as required in the Agreement. Subsequently, a large portion of the Project site was discovered to be under water. Because portions of the site were flooded, changes necessary for the Project resulted in the trail location being adjusted to remain only in the northern section of the site and with a shortened trail length. According to the City's Architect, the trail as completed was estimated to be 1.4 miles long. According to Paragraph 4 of the Agreement, any revisions to Project elements must be formally requested and modifications reduced to writing in an Amendment to the Agreement. Although the Grant Manager maintained notes which documented site challenges posed by flooding and needed changes to the trail, the Agreement was not formally amended to reflect agreed upon changes. As a result of the compounded errors and lack of effective oversight, the Project description contained in the final Amendment of the Agreement did not reflect the Project as planned or completed by the City.

Recommendation:

We recommend the Division put additional controls and levels of technical review in place to ensure executed Agreements and Amendments contain accurate Project information. In addition, we recommend the Division work with the Grants Section to ensure that any necessary Project revisions are formally requested, and modifications reduced to writing in an Amendment to the Agreement, as required. If Grant Managers become aware of circumstances which may

⁶ Amendment 3 was executed January 9, 2018, which was prior to reorganization of the Grants Section to the Division.

Report: A-1819DEP-031

impact completion of a Project, the Division should ensure that Grant Managers work effectively with Grantees to obtain formal requests for Amendments as necessary.

Finding 2: Status Reports

According to Paragraph 12 of the Agreement, the City was required to submit RTP status reports on a quarterly basis. Status reports were due no later than the fifth calendar day following completion of any quarterly reporting period. Prior to receiving reimbursement, the City submitted eight of the 15 required quarterly status reports. Of these, three were submitted on time following the completion of the quarterly reporting period. During our review, the Grant Manager provided documentation demonstrating that additional processes had recently been put in place by the Grants Section to better monitor Grantee submission of required status reports; however, the Grant Manager subsequently had not obtained the final status report for this Project as required.

Recommendation:

Going forward, we recommend the Division provide additional levels of oversight to the Grants Section to ensure Project status reports are obtained in a timely manner as required by the Agreement.

Finding 3: Oversight Final Deliverables

Inaccuracies of the Project Grant Work Plan outlined in Finding 1 were further overlooked in the Project's final site inspection and deliverables. Chapter 62S-2.075(7)(f), F.A.C. states, *The Department shall perform an on-site inspection of the project site to ensure compliance with the project agreement prior to release of the final grant payment. Any deficiencies must be corrected by Grantee prior to disbursement of final payment.* The Grants

Review of Recreational Trails Program Agreement T1417
with the City of Fort Lauderdale
Division of State Lands

Report: A-1819DEP-031

Section worked with BDC staff located in the Division of Recreation and Parks District office to conduct the Final Inspection. The Final Inspection document provided to the staff conducting the inspection included an incorrect Project description which referenced a bridge replacement. In the report, the staff member documented that Project elements were developed in accordance with the Project Agreement, with an added comment that *crushed rock was added to the existing natural surface trail*. The inspection report was signed October 15, 2018. On December 3, 2018, the Grant Manager added a note in the report stating that the Project description should read consistent with the incorrect description listed in the final Agreement Amendment.

A signed and sealed As-Built Site Plan, labeled color photos, and a final status report was required as part of the Program Completion Packet. The final status report was not submitted. Photos submitted were not labeled. The City submitted a site boundary map as part of the completion documentation, rather than the As-Built Site Plans. Task 2 deliverables were approved by the Division on March 11, 2019.

Upon our inquiry, the Grant Manager obtained and provided a copy of the City's Bid Set Plans contained in the original subcontract, which had been updated with a revised trail. The plans were signed by the City's Architect May 14, 2019. Based on subsequent correspondence with the City's Architect, the final trail length was estimated to be 1.4 miles. The Grant Manager also provided updated Project photos which had been labeled.

Recommendation:

Going forward, we recommend the Division work with the Grants Section to add additional oversight of Grants Section activities to ensure effective Project management. Final inspections should document verification of required Project deliverables which are consistent

Report: A-1819DEP-031

with the Agreement. Accepted Project photos should be clearly labeled and reflect completion of required elements. As-Built Site Plans that accurately represent the final work done on the Project and appropriately labeled photos should be obtained prior to final Project approval.

Finding 4: Support for Invoiced Costs

The City's reimbursement request dated January 18, 2019, documented total Project costs of \$232,646.40. Engineering/permit fees listed on the Contractual Services Purchases Schedule Form represented costs of services provided by staff employed by the City. Support for these costs included a table listing engineer fee amounts and dates. This list did not identify the position title, hourly rate, and number of hours for City staff, as required in the Project Work Plan, and the costs were not included on the Grantee Labor Cost Schedule Form as required. Subsequently, we obtained Project documentation from the City which supported the City's costs for Engineering Department staff. The City's Project detail records identified staff position titles, hourly rates, and number of hours, as required.

According to Chapter 62S-2.075, F.A.C., Project planning expenses such as architectural and engineering fees are eligible project costs provided that such costs do not exceed 15 percent of the total project cost. CFR Part 200.83 defines *Project Cost* as the *total allowable costs incurred under a Federal award and all required cost sharing and voluntary committed cost sharing, including third party contributions*. The total Project cost incurred, as submitted by the City was \$244,664.40. However, the Grant Manager allowed the City to include engineering costs calculated at 15% of \$250,000, which was the original Project cost listed in the Agreement. Paragraph 23 of the Agreement states, *The Department and the Grantee fully understand and agree that there shall be no reimbursement of funds by the Department for any obligation or*

Review of Recreational Trails Program Agreement T1417
with the City of Fort Lauderdale
Division of State Lands

Report: A-1819DEP-031

expenditure made prior to the execution of this Project Agreement with the exception of \$37,500 for planning, permitting, or design performed on or after August 27, 2014. While \$37,500 was the amount listed in the Agreement for planning, payment for engineering fees using this calculation is more than allowed under Chapter 62S-2.075, F.A.C.

Recommendation:

Going forward, we recommend the Division establish additional controls over Project completion and invoice payment to ensure reimbursements are supported by accurate costs as required under the Agreement and Chapter 62S-2.075, F.A.C. Costs representing Grantee labor should be submitted with the required detail on the Grantee Labor Cost Schedule Form. Project planning expenses such as architectural and engineering fees should not exceed 15 percent of the total project cost incurred in accordance with Chapter 62S-2.075, F.A.C. and CFR 200.83.

Finding 5: Delegation of Authority

The Payment Request Summary Form was approved by the Division's Grant Manager and the Grant Manager's Supervisor, rather than the Division Director or designee which was identified as the approving authority on the Form. According to DEP Directive 300, the approval level for agreements valued up to \$325,000 includes the Division Director or Assistant Director.

Due to prior concerns from FHWA regarding management oversight, controls, and turnover, on July 1, 2018, the Department relocated the Grants Section from the former Office of Operations to the Division of State Lands. Prior to being organizationally located under the Office of Operations, the RTP portion of the Grants Section had previously been organized under the Office of Greenways and Trails. The Division's Delegation of Authority, DEP Directive 110, delegates agreements for day to day operations in excess of \$100,000 to the Division Director

Review of Recreational Trails Program Agreement T1417
with the City of Fort Lauderdale
Division of State Lands

Report: A-1819DEP-031

but does not address authority over grant programs approved by the Legislature. However, DEP Directive 152, *Delegations of Authority Office of Greenways and Trails*, which was last approved June 13, 2003, delegated authority regarding grant programs approved by the Legislature to the Community Program Administrator position. This position is no longer part of the Grants Section. Despite the Department's reorganization of the Grants Section to provide better guidance and administration, Project completion documentation submitted for payment under RTP Agreements is not reviewed or approved by Division leadership.

Recommendation:

We recommend the Division address the current delegation of authority regarding the Grants Section and update DEP Directive 110 to reflect authority over grant administration which ensures effective Division controls and oversight of the Grants Section.

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 LeAnne Landrum 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

Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, FL 32399

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Noah Valenstein
Secretary

Memorandum

TO: Candie Fuller, Inspector General
FROM: *clle* Callie DeHaven, Director, Division of State Lands
SUBJECT: Response to Preliminary Report A-1819DEP-031
Recreational Trails Program Agreement T1417, City of Fort Lauderdale
DATE: October 16, 2019

The Division of State Lands (DSL) has reviewed the Preliminary Report: A-1819DEP-031 Review of Recreational Trails Program Agreement T1417 with the City of Fort Lauderdale. The following is in response to the referenced audit.

Finding 1: Amendments and Changes to the Project Scope

In response to the findings and recommendations, DSL now utilizes the agency-wide agreement/amendment templates provided by OGC to prevent contradictions between the program rule and agreement language. DSL has also established additional oversight prior to forwarding a draft amendment to OGC. Draft amendments are now compiled by the Community Assistance Consultant, reviewed by the Program Manager using the OGC Checklist, assessed by OGC, forwarded to the grantee for review and signature, then sent to the Division of State Lands Director for final review and routed for execution. In addition, DSL has updated the amendment request process to include the mandatory submission of an official request by the grantee on letterhead, citing justification per Rule 62S-2.075(7)(a), F.A.C.

Finding 2: Status Reports

In response to the recommendation, DSL has modified the reimbursement process and final reimbursement requests will not be approved without a final status report being included in the completion packet reflecting the submission date. Additionally, available funding has been identified for implementation of the Recreational Trails Program into the agency-wide Grant Management System (GMS) to help ensure all required status reports are received timely.

Finding 3: Oversight Final Deliverables

In response to the findings and recommendations, DSL staff now perform final site inspections, and reports include a final scope of work as pulled from FACTS. A new site inspection process has been established, and checklists have been updated to include the described documentation. Grantees must submit and receive approval on all items prior to receiving the final reimbursement and project completion letter.

Finding 4: Support for Invoiced Costs

In response to the findings and recommendations, additional oversight is currently being instituted within the program to provide additional quality control. Two CAC's will review the

compiled project reimbursement documentation for approval by the appropriate designee and budget coordinator. The approved package will be forwarded to the Bureau of Finance and Accounting through LiveCycle.

Additionally, a request for reimbursement of \$2,603 representing overpayment for planning expenses will be forwarded to the City of Fort Lauderdale with a 60-day repayment deadline.

Finding 5: Delegation of Authority

DSL concurs with the recommendation to address the current delegation of authority regarding the Grants Section and update DEP Directive 110 to reflect authority over grant administration which ensures effective Division controls and oversight of the Grants Section.

Along with the additional oversight measures being instituted as discussed above, DSL is coordinating additional grant management training with the Bureau of General Services and the Department of Financial Services through its advanced grant monitoring class. It is anticipated this additional training will occur prior to December 31, 2019.