



Department of Environmental Protection Office of Inspector General

August 16, 2024

Report A-2324DEP-015

Audit of Agreement 22RRE03 With the City of Tampa

INTRODUCTION

The Florida Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an audit of Agreement 22RRE03 (Agreement) with the City of Tampa (Grantee) for implementation of short and long-term flooding and sea level rise adaptation projects in the Tampa Bay area. This audit was initiated as a result of the OIG Annual Audit Plan for Fiscal Year 2023-2024.

AUDIT SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of the audit included the requirements, deliverables, disbursements, and oversight associated with the Agreement between the Department and the Grantee from April 11, 2022, to August 15, 2022. The objectives of the audit were to:

1. Determine whether the Grantee complied with the requirements of the Agreement, including deliverables and disbursements.
2. Evaluate Department oversight and internal controls over the Grantee's compliance with the Agreement.

To achieve our audit objectives, our methodology included:

- Reviewing applicable statutes, regulations, Department procedures, and other authoritative documents.
- Reviewing the requirements of the Agreement, attachments, and amendments.
- Conducting analyses of Grantee and subcontractor activities and related documents.
- Reviewing associated records and documentation; including, deliverables, invoices, communications, and other supporting documentation.
- Interviewing appropriate Department employees and management regarding the processes and controls used in the duration of the Agreement.

BACKGROUND

Pursuant to § 380.093, Florida Statutes (F.S.), the Department administers the Resilient Florida Grant Program, where the Department provides grants to counties, municipalities, water management districts, flood control districts, and regional resilience entities. The program looks to effectively address the impacts of flooding and sea level rise by providing eligible applicants with funding to analyze and plan for vulnerabilities as well as implement projects for adaptation and mitigation. The program is housed within the Department's Office of Resilience and Coastal Protection (ORCP). The Department entered into the Agreement with the Grantee on April 11, 2022, with an original expiration date of June 30, 2022, in the amount of \$273,000. The Agreement contained two Tasks with associated deliverables. The original Task 1 due date was May 5, 2022, and the original Task 2 due date was June 15, 2022. There was one amendment to the Agreement which extended the Date of Expiration to August 15, 2022, and changed the due dates for Tasks

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1 and 2 to July 30, 2022. At the time of our review, there had been one single, and final payment totaling \$273,000.

According to the Agreement, this project consists of the implementation of short and long-term flooding and sea level rise adaptation projects in the Tampa Bay area. The project will enhance the ability for the Grantee and other Bay area local governments to assess, plan for, and submit grant applications for projects which use multi-functional, nature-based infrastructure strategies, resilient site design, and innovative construction practices. The project will guide local governments through a planning and design process and provide adaptation resources to support local governments' acquisition of funding and implementation of short and long-term flood adaptation projects. The Agreement was awarded as a cost-reimbursement grant where the Grantee may be compensated for eligible costs that meet the Contractual (Subcontractors) budget category requirements as defined in the Agreement.

RESULTS OF AUDIT

During the audit, we reviewed documentation and records related to the Agreement's requirements, the Grantee's completion of tasks and deliverables, as well as the subsequent payment request. A summary of our review is below.

Agreement Expiration

The original expiration date of the Agreement was June 30, 2022. However, an Amendment was executed on June 30, 2022, revising the Date of Expiration to August 15, 2022. Per the Agreement, "*There are no extensions available for this Project.*" Based on interviews with ORCP staff, the Agreement was executed late in the fiscal year (April 2022) and was extended to assist the Grantee with completing the project.

Task and Deliverables

The Agreement contained two tasks with associated deliverables for each. Per the Amendment, both Tasks were due July 30, 2022. Based on our review, deliverables for both Tasks were originally submitted by the due date. However, some deliverables for Task 1 required corrections and the corrected deliverables were not submitted or approved until after the Agreement's expiration. Deliverables for Task 2 appear to have been provided in accordance with the Agreement. See a summary of Task 1 below.

Task 1: Site Analysis and Workshop Charrettes

For Task 1 the Grantee was to engage in a project that identified three communities in which critical public assets are vulnerable to the impacts of various forms of flooding. The project for the three communities was to include collecting and developing maps and visual materials, as well as producing flood hazard exposure assessments for each of the project's sites. Lastly, a multi-day workshop (called a charrette) was to be held for each of the three community sites that were studied for the project. There were six deliverables for Task 1, which were initially submitted by the Grantee on May 25, 2022. After the expiration date of the Agreement (August 15, 2022) and nearly three months after their initial submission, the Department's Grant Manager emailed the Grantee on August 24, 2022, asking them to address issues noted with deliverables 2, 3, and 4. The Agreement states, *...If Department's Grant Manager does not accept the deliverables within 30 days of receipt, they will be deemed rejected.* While the corrected version of these deliverables were ultimately submitted, one deliverable was received from the Grantee's Subcontractor on September 15, 2022, and another was received from the Grantee's Subcontractor on September 14, 2022. According to the Agreement, *The Grantee shall be eligible for reimbursement for work performed on or after the date of execution through the expiration date of this Agreement.* Our review found that both deliverables were received and appeared to include additional work

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performed past the Agreement's expiration date. The Agreement also states, *If any work associated with this Agreement is completed by a subcontractor(s), the Grantee shall require that such subcontractor(s) submit documentary evidence (e.g., workshop agendas; meeting recordings) to Grantee demonstrating that the subcontractor(s) has fully performed its Project obligation(s). The Grantee shall forward copies of all such documentary evidence to the Department with the Grantee's relevant deliverable(s), using the approved Project Timeline set forth in Attachment 3 to this Agreement (Grant Work Plan).* The updated deliverables were received from the Grantee's subcontractor due to the coordination of the additional work required to complete the deliverable.

Ultimately, the Department's Grant Manager provided written approval of all deliverables for both Tasks 1 and 2 on September 15, 2022. However, the written approval states that the deliverables being approved were received on June 28, 2022. As discussed above, some of the completed deliverables were not submitted until September 2022.

Cost-Reimbursement Period

The Grantee received one payment for the full award amount on September 23, 2022. Our review found the Grantee may have been reimbursed for work performed by a subcontractor prior to the execution of the Agreement. The Agreement states, *The reimbursement period for this Agreement is the same as the term of the Agreement.* The Agreement also states, *Additional service periods are not authorized under this Agreement.* As previously stated, the Agreement began on April 11, 2022, and expired on August 15, 2022. The Grantee's subcontractor entered into an agreement with a consultant on January 21, 2022, almost three months prior to the Agreement start date. The Scope of Services for the consultant agreement contained a project description that was nearly identical to the description in the Grantee Agreement. The consultant agreement outlined two tasks and eight deliverables. The first four deliverables were due prior to the start date of the Grantee's Agreement and totaled \$70,000 (see table below).

TASKS	DELIVERABLES DESCRIPTION	BUDGET AMOUNT	DUE DATES
1.1	1: Coordination, facilitation, and presentation during Project Kick-off Meeting. 2: Deliver presentation and meeting materials.	\$20,000	2/18/2022 2/25/2022
1.2 1.3	3: Site briefing packages (3), atlas of analytical maps, and original GIS files. 4: Site memos (3).	\$50,000	3/25/2022
1.4	5: Design charrettes (3), including walking tours. 6: Summary Reports (3) and meeting materials.	\$60,000	5/2/2022
2.1 2.2	7: Final Concept Plans and Recommendations Report. 8: Participation in Project Showcase Event and Summary Report of the Symposium.	\$50,000	6/23/2022

Our review found a quarterly progress report form (Exhibit A) was submitted by the Grantee with a reporting period of January 1, 2022, through March 31, 2022. The report was signed April 8, 2022, and stated the percentage of tasks completed was 60%. The progress report signed date was three days prior to the start date of the Agreement. Additionally, the Grantee submitted a payment request, dated September 8, 2022, for the total award amount of \$273,000. The supporting documentation for this request was an invoice from the Grantee's subcontractor for the same amount. The subcontractor also provided supporting documentation which included two invoices from their consultant. One of the consultant's invoices included the \$70,000 for tasks 1.1,

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1.2, and 1.3 shown in the table above. The invoice states *For Services provided through 5/14/22* and the invoice is dated May 17, 2022. Although the consultant's invoice was dated within the Agreement period, the work appears to have been completed prior to the Agreement's start date.

Based on communications with ORCP staff, they explained that this *grant agreement was the first award of the Regional Resilience Entity grants under the newly created Resilient Florida Program* and the creation of the program, staffing, and awarding of grants put the grantees in a short timeframe to conduct the work. ORCP also stated that some *subcontracted work may include additional work for the grantee that may have been initiated prior to being notified that their Resilient Florida Program application had been awarded grant funds*. However, ORCP reports they now have internal controls in place to *verify subcontracted task performance periods with our agreement reimbursement periods and to ensure full-service periods are provided for all invoices and their supporting documentation*.

Supporting Documentation for Salaries

The Agreement states, *Match or reimbursement requests for payments to subcontractors must be substantiated by copies of invoices with backup documentation identical to that required from Grantee. Subcontracts which involve payments for direct salaries shall clearly identify the personnel involved, salary rate per hour, and hours spent on the Project*. Based on our review, the Grantee's subcontractor submitted expenses of \$42,805 for salaries but did not include the required information including names, position classifications, direct salary rates, or hours spent on the project in their invoices for reimbursement.

Funding Disclosure Requirement

The Agreement requires the Grantee to include the Department's logo and a specific funding disclosure on all publications, printed reports, audiovisuals, and similar materials that are produced for the Project. Our review noted some documents either lacked the required logo and disclosure statement, contained the logo but lacked the disclosure statement, or only included the logo and a partial disclosure statement.

CONCLUSION

Based on our review, the Grantee appears to have completed most tasks and deliverables in the Agreement; however, our review noted oversight and internal controls could be strengthened. Specifically, our review noted the Agreement was extended although not allowed by the Agreement, deliverables were not reviewed timely by the Grant Manager, and the Grantee was paid for costs incurred, and work completed, prior to and after the cost-reimbursement period specified in the Agreement. Our findings and recommendations are listed below.

FINDINGS AND RECOMMENDATIONS

Finding 1: Grant Management Oversight - The Grantee did not always comply with the requirements of the Agreement and received payment for expenditures and work completed outside the cost-reimbursement period.

Our review found weak internal controls in the following areas:

Agreement Expiration

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staff, the Agreement was executed late in the fiscal year (April 2022) and was extended to assist the Grantee with completing the project.

Deliverables and Cost-Reimbursement Period

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Our review also found the Grantee may have been reimbursed for work performed by a subcontractor prior to the execution of the Agreement. The Agreement began on April 11, 2022, and expired on August 15, 2022. The Grantee's subcontractor entered into an agreement with a consultant on January 21, 2022, almost three months prior to the Agreement start date. The consultant agreement outlined two tasks and eight deliverables. The first four deliverables were due prior to the start date of the Grantee's Agreement and totaled \$70,000. Our review found a quarterly progress report form (Exhibit A) was submitted by the Grantee with a reporting period of January 1, 2022, through March 31, 2022. The report was signed April 8, 2022, and stated the percentage of tasks completed was 60%. The progress report signed date was three days prior to the start date of the Agreement. Additionally, the Grantee submitted a payment request, dated September 8, 2022, for the total award amount of \$273,000. The supporting documentation for this request was an invoice from the Grantee's subcontractor for the same amount. The subcontractor also provided supporting documentation which included two invoices from their consultant. One of the consultant's invoices included the \$70,000 for the four deliverables that were due prior to the Agreement's start date. The invoice states *For Services provided through 5/14/22* and the invoice is dated May 17, 2022. Although the consultant's invoice was dated within the Agreement period, the work appears to have been completed prior to the Agreement's start date. Based on communications with ORCP staff, they explained that this was due to the newness of the Resilient Florida Grant Program. However, ORCP reports they now have internal controls in place to *verify subcontracted task performance periods with our agreement reimbursement periods and to ensure full-service periods are provided for all invoices and their supporting documentation.*

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Recommendations:

We recommend the ORCP implement stronger internal controls and provide training to Grant Managers to ensure Grant Managers understand agreement requirements, review deliverables timely, and ensure payments are not made for expenditures outside the cost-reimbursement period.

Management Comments:

Program Response and Action Items:

- The Resilient Florida Program continues to strengthen internal controls and procedures to ensure that grant agreements abide by Department and Program requirements and that staff are properly trained to manage grant agreements and process payment requests.
- The Performance Measures in the Program's Attachment 3 was updated to strengthen the requirement for grantees to have deliverables accepted by the Department on or before the Agreement's Date of Expiration. It also updated the requirement for all deliverables to be submitted to a shared mailbox, ResilientFloridaGrants@FloridaDEP.gov, to ensure receipt and tracking.
 - Implementation Date: 9/1/2024
 - The updated Attachment 3 will be included in all future Program grant awards and will also be amended into existing grant agreements. Prior to the amendment being executed, grantees will be notified of this updated Program procedure and instructed to abide.
- Deliverables are formally reviewed by the Grant Manager and Environmental Manager as well as multiple other Program sections, depending on the type of the deliverable. Specific guidance as to which Program section must review and approve each type of deliverable and the review process as a whole is outlined in a comprehensive Deliverable SOP. The Grants Section and each of the respective other Program sections maintain a Deliverable Review Checklist to verify that all required elements (such as the Department logo and funding disclosure language) is included in all required deliverable documents.
- The DEP Logo and Funding Source Disclaimer language in the Program's Attachment 6 was updated on 7/1/2024 to clarify the grant deliverables where these items are required.
- Payment requests are reviewed by two levels of Budget Section staff and two levels of Grants Section staff to ensure the packages include proper and sufficient documentation to verify the work as outlined in the grant agreement was completed.
 - Both the Grants and Budget Sections have updated their respective Payment Request Review Checklists and held meetings to discuss and ensure staff understand the procedures and expectations.
- The review and correspondence for all grant management activities and work products

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(progress reports, deliverables, payment requests, and amendments/change orders) are completed through the Salesforce grant management database for transparency, accountability, and tracking purposes. Automated and manual email communications are regularly sent to grantees with reminders for upcoming and past due dates. All communication is saved within the grant folder to document that the Program is assisting grantees with complying with all grant requirements.

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 § 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 Justin Goodwin and supervised by Susan Cureton.

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