

**Audit of Florida Recreation Development Assistance Program
Grant A15163 City of Port St. Joe**

Office of Operations

Report: A-1516DEP-015

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

March 28, 2016

3900 Commonwealth Boulevard, MS 40
Tallahassee, Florida 32399-3000
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The Office of Inspector General (OIG) conducted an audit of Florida Recreation Development Assistance Program (FRDAP) Grant, A15163, with the City of Port St. Joe (City). This audit was initiated as a result of the Fiscal Year (FY) 2015-2016 Annual Audit Plan.

Scope & Objectives

The scope of this audit included selected business activities of the City during the grant billing period of August 26, 2014 through August 20, 2015.

The objectives of this audit were to determine:

- the accuracy of reported expenditures listed in billing submittals
- whether deliverables have been completed as specified in the Agreement

Methodology

This audit was conducted under the authority of Section 20.055, Florida Statutes, and in conformance with the *International Standards for the Professional Practice of Internal Auditing*. The procedures of this audit included a review of grant records, interviews with the Department of Environmental Protection (Department) and City grant management, and an inspection of the project site.

Background

In 2014, the Department entered into Agreement A15163 (Agreement) with the City for a public outdoor recreation project. The Agreement, effective August 26, 2014, establishes a project completion date of April 30, 2017. Under the Agreement, the Department allotted

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\$50,000, on a reimbursement basis, to the City for the improvement of the Benny Roberts Sports Park. The Benny Roberts Sports Park is located along the Port City Trail and is comprised of a playground, two outdoor basketball courts, and six ball fields that are utilized by the City's baseball and softball leagues. The financial close out report indicated that funding to the City, on a reimbursement basis, was \$49,399.70 for the Department's share of the cost of the deliverables as set out in the Agreement.

Results & Conclusions

Accuracy of Reported Expenditures Listed in Billing Submittals

We obtained a detailed listing of City expenditures related to the Agreement and reviewed expenditure documentation provided by the City. Based on this review, each billing submittal amount was properly supported by an invoice and a cancelled check. Based on invoice descriptions, each expenditure related to the work performed according to the Agreement.

We obtained the City's policy and supporting documentation regarding the vendor selection process. Based on examination of policy requirements and provided documentation, the City did not obtain written quotations from two or more vendors for five of the six purchases over \$2,500 as required by the City's procurement procedures.

Completion of Deliverables as Specified in the Agreement

Based on the Agreement, deliverables were the following:

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- construct new single “A” baseball field
- renovate existing baseball field
- renovate restroom facilities
- renovate basketball court
- renovate playground
- add signage that credits funding to FRDAP

Based on observations made during our site visit, deliverables appear to have been completed as specified in the Agreement with exceptions as noted below:

- Only one of the four renovated restrooms was accessible during the site visit.

Additionally, two restroom doors were locked and another restroom door was blocked, restricting access to potential basketball court, trail, and playground users.

Findings and Recommendations

Finding 1: Adopted Acquisition Methods

According to the Agreement, the work is to be completed in accordance with Chapter 62D-5 Florida Administrative Code (F.A.C.). Rule 62D-5.058(6)(c), F.A.C. states *the grantee shall purchase the property according to its adopted acquisition methods*. The City’s Purchasing Policies & Procedures indicate that the purchase of goods or services which cost between \$2,501 to \$5,000 require written quotations from two or more vendors. Based on examination of provided bid documentation, the grantee did not acquire written quotations from two or more vendors for five of the six purchases over \$2,500 as required by the City’s

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procurement procedures. The Financial Analyst for the City indicated that written quotes were not obtained for several purchases despite knowing the requirements.

Recommendation:

Going forward, we recommend the Office of Operations ensure grant recipients follow adopted procurement procedures and maintain records of written quotes where applicable and as required by their procurement procedures. Any expenditures of grant funds should be appropriately supported with formal bids and approvals as necessary, prior to payment.

Finding 2: Locked Restroom Facilities

According to the Agreement, the work is to be completed in accordance with Chapter 62D-5, F.A.C. Rule 62D-5.059(2), F.A.C. states *all project sites shall be open at reasonable times and shall be managed in a safe and attractive manner*. During the site visit, we noted that only one of the four renovated restrooms was accessible. The Financial Analyst for the City indicated that bathrooms are locked during the baseball and softball off season to prevent vandalism.

Recommendation:

We recommend the Office of Operations direct the City to ensure restrooms of the Agreement remain open at reasonable times for public use of the basketball court, trail, and playground as specified in Rule 62D-5.059(2) F.A.C.

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To promote accountability, integrity, and efficiency in state government, the OIG completes audits and reviews of agency programs, activities, and functions. Our audit was conducted under the authority of Section 20.055, F.S., and in conformance with the International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, and Principles and Standards for Offices of Inspector General, published by the Association of Inspectors General. The audit was conducted by Adam Crump 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 <http://www.dep.state.fl.us/ig/reports.htm>. 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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MEMORANDUM

TO: Valerie Peacock, Audit Director
Office of Inspector General

FROM: Bryan Bradner, Director, Office of Operations *BBW for bb*
LR Linda Reeves, OMC Manager, Land and Recreation Grants Section
JB Tamika Bass, CAC, Land and Recreation Grants Section

SUBJECT: Office of Operations' Response
***Benny Roberts Sports Park/City of Port St. Joe /Office of Operations- Report:
A-1516DEP-015***

DATE: March 16, 2016

This memorandum will serve as the Office of Operations' (the Office) response to the Preliminary Audit Report dated February 22, 2016. The Office of Inspector General (OIG) conducted a review of the Florida Department of Environmental Protection's (the Department), Florida Recreation Development Assistance Program (FRDAP) project at Benny Roberts Sports Park in the City of Port St. Joe (the City).

Office Response: The City will immediately begin the process of resolving these issues, provide an explanation for not following the procedures and will send pictures upon completion to ensure project is in compliance with program rules and regulations. The Office has revised the FRDAP grant program application to reiterate the need for applicants to certify they will adhere to their local procurement policies and procedures for any and all expenditure of grant funds. It has also been expressed that these expenditures should be appropriately supported with formal bids and approvals, as necessary, prior to payment. The Office will implement site visits and final inspections based on 20 percent of projects funded each fiscal year, per grant program, to ensure developed facilities are open for public utilization prior to payment. We concur with the findings of the OIG and the program is working with the City to address the deficiencies and will follow up within 6 months.