Department of Environmental Protection
Office of Inspector General

November 9, 2026 Report A-2526DEP-036

Audit of Agreement 22FRP88 with the Gulf County Board of County Commissioners

INTRODUCTION

The Florida Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an audit of Agreement 22FRP88 (Agreement) with the Gulf County Board of County Commissioners (Grantee). This audit was initiated as a result of the OIG Annual Audit Plan for Fiscal Year 2025-2026.

AUDIT SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of the audit included the activities, records, and disbursements associated with the Agreement between the Department and the Grantee, from June 17, 2022, to present. The objectives of the audit were to:

1. Determine whether approved payments for Agreement expenditures were supported by documentation that met reimbursement requirements and verified completion of required deliverables.
2. Evaluate Department oversight and 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 activities and related grant documents.
- Reviewing appropriate documentation relating to 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 Section 380.093, Florida Statutes (F.S.), the Department's Office of Resilience and Coastal Protection (ORCP) administers the Resilient Florida Grant Program. The program aims to protect Florida's inland waterways, coastlines, and shores against flooding and sea level rise by providing grants to counties, municipalities, and water management districts to analyze vulnerabilities and implement adaptation and mitigation projects.

The Agreement was executed on June 17, 2022, and expired on September 30, 2026. The Agreement was amended twice, once on May 3, 2024, and again on November 6, 2024. The project description states that the project will repair roadway damage caused by severe flooding events in the Beacon Hill, St. Joe Beach, and Highland View communities and rehabilitate the stormwater system along Americus Avenue in St. Joe Beach. The project is located in Gulf County, Florida. This is a cost-reimbursement Agreement with eligible expenses limited to the budget category of contractual services (subcontractors). Award funding for the Agreement totaled $9,386,144.98. The Agreement initially required a Grantee match funding, which was later removed in Amendment 1. As of Amendment 2, the Agreement contained one task as shown in the table below.

Task No.	Task Title	Budget Category	Grant Amount	Task Due Date
1	Gulf County Roads and Stormwater Improvements	Contractual Services	$9,386,144.98	6/30/2026
		Total:	**$9,386,144.98**	

RESULTS OF AUDIT

During the audit, we reviewed documentation related to the Agreement's requirements, the Grantee's completion of tasks and deliverables, payment requests and disbursements, subcontractor invoices, and the Department's oversight of the Grantee's compliance with the Agreement. At the time of our review, the Grantee had completed all tasks in the Agreement and been paid $9,376,634.44. A summary of our review is below.

Tasks and Deliverables

The original Agreement contained five tasks with associated deliverables. In Amendment 1, some tasks were combined, and in Amendment 2, all tasks were combined under Task 1 which had nine deliverables. The Grantee subcontracted with three companies to complete the Agreement task and deliverables. Per the Agreement, the Grantee was to submit all deliverables to the Department on or before the task due date. The Department's Grant Manager was required to review the deliverables and provide written acceptance or denial to the Grantee within 30 calendar days. Based on our review, we determined the Grantee generally submitted project deliverables in accordance with the Agreement, with the exception of Deliverable 1.8 (a Certificate of Completion signed by a Florida-registered Professional Engineer) which was not submitted timely. During the audit, ORCP communicated to the Grantee that Deliverable 1.8 had not been received. The Grantee submitted Deliverable 1.8 on July 28, 2026, which was after the task due date of June 30, 2026.

Written Acceptance of Deliverables

Based on our review, the Grantee received interim payments for partial deliverables. The Agreement allowed interim payment requests, stating that Exhibit A may serve as the deliverable for a task. Upon review and written acceptance by the Department's Grant Manager, the Grantee may proceed with payment request submittal. Our review determined that deliverable acceptance letters were issued for deliverables submitted under the original Agreement and also under Amendment 1, for Tasks 2, 3, and 4. After

execution of Amendment 2, which combined all tasks into 1, ORCP issued a memorandum to the Grantee stating that all previously issued acceptance letters would serve as acceptance for deliverables now included under Task 1. While the memorandum was signed on November 13, 2024, our review found that three of the original acceptance letters had been voided by a previous Grant Manager due to either being issued for the wrong task or for not meeting the deliverable requirements. Based on discussions with ORCP, the Grantee had submitted revised deliverables which met the components of the Agreement and the current Grant Manager issued a new acceptance letter dated August 21, 2026. While deliverables were submitted and ultimately approved, they were not all reviewed and accepted within the 30-day requirement.

Payments

According to the Agreement, the Grantee may submit a payment request following the full or partial completion of deliverables and acceptance by the Department. Each payment request must be submitted using Exhibit C, Payment Request Summary Forms and be substantiated with copies of invoices and backup fiscal documentation. Reimbursement payments may only be approved for eligible contractual service (subcontractors) expenses as outlined by the Agreement, must only include work performed within the cost-reimbursement period, and cannot exceed budgeted amounts.

At the time of our review, the Grantee had received fifteen reimbursement payments totaling $9,376,634.44. Based on our review of the first thirteen reimbursement payments, we determined that the Grantee's payment requests included invoices within the Agreement's reimbursement period. The Grantee's payment requests did not exceed the budget amount and included the required documentation for reimbursement as specified in the Agreement.

Additional Requirements

Quarterly Progress Reports

Per the Agreement, the Grantee shall submit status reports quarterly to the Department's Grant Manager describing the work performed during the reporting period, problems encountered, problem resolutions, scheduled updates, and proposed work for the next reporting period. Based on our review of the documentation provided, the quarterly progress reports were submitted and reviewed in compliance with the Agreement.

Insurance

Upon execution of the Agreement, the Grantee shall provide the Department documentation demonstrating the existence and amount for each type of insurance coverage required prior to performance of any work under the Agreement. While it appeared that the Grantee submitted a Certificate of Insurance (COI) to the Department, there was no documentation available to determine whether it was submitted prior to the performance of work under the Agreement. Additionally, the initial COI did not contain all required coverages. During the audit, the Grant Manager requested documentation of the required insurance coverage, and it was provided by the Grantee.

Project Photos

The Agreement requires that the Grantee must submit an Exhibit G, Photo Release Form, with the first submission of deliverables and reports (Exhibit A and F) that include

photographs. Several reports which had been submitted to the Department by the Grantee contained photographs with the earliest being QPR (October – December 2023) submitted on June 27, 2024. Per the Grant Manager, an executed Exhibit G, Photo Release Form could not be located; however, during the audit, the Grant Manager requested the form from the Grantee and it was provided by the Grant Manager.

CONCLUSION

During the audit, we reviewed documentation related to the Agreement's requirements, the Grantee's completion of the task and deliverables, payment requests and disbursements, subcontractor invoices, and the Department's oversight of the Grantee's compliance with the Agreement. Based on our review, the Grantee appears to have generally completed the project tasked in the Agreement. However, due to several grant manager changes throughout the Agreement, our review found some area of non-compliance which were all corrected during the audit. Specifically, we determined:

- While deliverables were submitted and ultimately approved, one was not submitted timely, and deliverables were not always reviewed and accepted within the 30-day requirement.
- The initial COI did not contain all required coverage; however, during the audit, documentation of the required insurance coverage was provided by the Grantee.
- The required executed Exhibit G, Photo Release Form was not available; however, during the audit, the Grant Manager requested the form from the Grantee and it was provided.

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 audit was conducted pursuant to Section 20.055, F.S., and in accordance with *Government Auditing Standards*, as published by the United States Government Accountability Office, and *Principles and Standards for Offices of Inspectors General,* as published by the Association of Inspectors General. The audit was conducted by Carrie Cook and supervised by Susan Cureton.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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