



Department of Environmental Protection Office of Inspector General

November 3, 2025

Report A-2425DEP-027

Audit of Agreement 24SRP44 with the City of Jacksonville

INTRODUCTION

The Florida Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an audit of Agreement 24SRP44 (Agreement) with the City of Jacksonville (Grantee). This audit was initiated as a result of the OIG Annual Audit Plan for Fiscal Year 2024-2025.

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 July 1, 2023, to the present. 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 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.

On October 31, 2023, the Department entered into the Agreement with the Grantee, for total funding of \$22,848,000 with \$11,424,000 sourced from Grantee match funding. Funding was for upgrading two sections of bulkheads in downtown Jacksonville to

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strengthen the downtown riverwalk and protect nearby assets from damage during major storms and compounding flooding events (Project). The Agreement began on July 1, 2023, and is set to expire on June 30, 2026. This is a cost-reimbursement Agreement with eligible expenses limited to the budget category of Contractual (Subcontractors), requiring 50% match. The Agreement has been amended twice to date, once on March 14, 2024, and again on October 24, 2024. At the time of our review, the Grantee had received five payments totaling \$10,149,427.80. The Project budget and timeline for the original Agreement and each Amendment are provided in the tables below.

Original Agreement						
Task No.	Task Title	Budget Category	Grant Amount	Match Amount	Task Start Date	Task End Date
1	Sea Level Impact Projection (SLIP) Study Report	No-Cost Deliverable	\$0.00	\$0.00	07/01/2023	30 Days before commencing Construction
2	Construction	Contractual Services	\$11,424,000	\$11,424,000	7/1/2023	3/31/2026
Total			\$11,424,000	\$11,424,000		

Amendment 1						
Task No.	Task Title	Budget Category	Grant Amount	Match Amount	Task Start Date	Task End Date
1	Construction	Contractual Services	\$11,424,000	\$11,424,000	7/1/2023	3/31/2026
Total			\$11,424,000	\$11,424,000		

Amendment 2						
Task No.	Task Title	Budget Category	Grant Amount	Match Amount	Task Start Date	Task End Date
1	Construction	Contractual Services	\$11,424,000	\$10,424,000	7/1/2023	3/31/2026
2	Match Contribution	No-Cost Deliverable	\$0.00	\$1,000,000	7/1/2021	3/31/2026
Total			\$11,424,000	\$11,424,000		

RESULTS OF AUDIT

During the audit, we reviewed the Grantee’s compliance with the requirements of the Agreement, deliverables, disbursements, ORCP oversight, and internal controls. Our review was limited to the work and activities completed during the audit period, as the Agreement remains active and does not expire until 2026. Based on our review we found the following:

Tasks and Deliverables

At the time of our review, the Agreement had been amended twice which resulted in the removal and addition of certain tasks and deliverables. The original Agreement contained two tasks; however, no deliverables were completed until after execution of Amendment

1. Amendment 1 contained one task with five deliverables, and Amendment 2 added Task 2 which had one deliverable. We determined deliverables were generally completed in accordance with the Agreement, as summarized below

Task 1: Construction

Task 1 required the Grantee to acquire professional service to construct the Northbank Bulkhead Resilience Improvements Project in accordance with the construction contract documents. Task 1 had five deliverables:

- *1.1: List of permit type, number, and issuing entity for all local, state, and federal permits required for the Project.*
- *1.2: A copy of the final design and record (as-built) drawings.*
- *1.3: A Certificate of Completion signed by a Florida-registered Professional Engineer.*
- *1.4: Coordinate final site visit with Department and submit the Closeout Site Visit Form received from assigned Field Agent.*
- *1.5: Quarterly Project management reports signed by a Florida-registered Professional Engineer, or other authorized representative in responsible charge of the Project, to include: a summary of project and site inspection(s); meeting minutes to all attended meetings; and field notes.*

Our review determined that Deliverables 1.1 and 1.2 were completed in full and seven Quarterly Progress Reports outlining the progress of construction were completed as partial deliverables for Task 1.5. At the time of our review, no deliverables had been submitted for 1.3 or 1.4, and neither are due until March 31, 2026. Both the full and partial deliverables were submitted and accepted in writing in accordance with the terms of the Agreement.

Task 2: Match Contribution

Task 2 required the Grantee to conduct design and permitting to be used as match contribution, separate from tasks that include the combination of match contribution and Department reimbursement. Task 2 had one deliverable, requiring the Grantee to submit documentation required for match requirements in accordance with the terms of the Agreement. This Task was completed in full and accepted by the Department in accordance with the terms of the Agreement.

Payments and Match

According to the Agreement, following the Grantee's full or partial completion of a task's deliverable and acceptance by the Department's Grant Manager, the Grantee may submit a payment request for cost-reimbursement. Each payment request must be submitted using Exhibit C, Payment Request Summary Form and be accompanied by the Deliverable Acceptance Letter, Exhibit A, Progress Report Form, and supporting fiscal documentation. At the time of our review, there had been a total of five payments made to the Grantee.

Our review determined payment requests were generally submitted in accordance with the Agreement and contained supporting documentation. However, we found the Grantee invoiced and received payment for retained funds that had not been paid out by the Grantee and for costs associated with work completed on another project. For the first

three payments made to the Grantee, the invoices included a 5% retainage that had been deducted from subcontractor invoices. Our review determined the Grantee did not reduce their payment requests by the 5% upon submission to the Department. The Grantee had not paid the subcontractor the 5% retainage; therefore, it was not eligible for cost-reimbursement. As these payment requests also included Grantee matching fund consideration amounts, the non-eligible expenditures resulted in a miscalculation in matching funds as well. This issue resulted in overpayment totaling \$320,672.18 and match overages of \$147,780.70.

Additionally, we found one payment included an invoice from the subcontractor for work completed on a separate project that was not covered under the Agreement. Based on invoices, the subcontractor was conducting work for the Grantee on the Project and also on a separate park project. One invoice submitted contained charges for work not related to the Project in the amount of \$593,914.51. Based on our review and discussions with ORCP, this was not an eligible expense and also resulted in a match overage of \$625,173.18.

In total, the Grantee was paid \$914,586.69 for non-eligible cost-reimbursement expenses resulting in a total match overage of \$772,953.88. As the Agreement is still active, we discussed this matter with ORCP who stated they were working with the Grantee to ensure funding is correct prior to the end of the project and the last payment.

Additional Requirements

Quarterly Progress Reports

Per the Agreement, the Grantee shall submit quarterly status reports to the Department's Grant Manager, utilizing the Exhibit A, Progress Report Form, unless otherwise stipulated within the Attachments. Quarterly status reports are due within twenty days following the end of the quarterly reporting period. While seven of the eight quarterly progress reports generally adhered to the terms outlined in the Agreement, Quarterly Progress Report 1 (July 1, 2023 – September 30, 2023) was not submitted by the Grantee until March 27, 2025, more than 20 days following the completion of the quarterly reporting period.

Insurance

At all times during the Agreement, the Grantee, at its sole expense, shall maintain insurance coverage to include Commercial General Liability Insurance, Commercial Automobile Insurance, and Workers' Compensation and Employer's Liability Coverage. Additionally, the Grantee shall require its sub-grantees and/or subcontractors to maintain the same. Based on our review, we found that the Grantee complied with the terms of this requirement.

Subcontractor Documentation

For all grant agreements that include Contractual Services as an expenditure category, the Grantee must submit Exhibit H, Contractual Services Certification, and all required supporting documentation for all contractors conducting work under the grant agreement, prior to requesting payment that includes contractual services. Based on our review, the Grantee submitted the necessary documentation to comply with this requirement.

Project Photos

Per the Agreement, the Grantee must submit Exhibit G, Photo Release Form, with the first submission of deliverables and reports (Exhibit A and F) that include photos. Per our review, the Grantee did not submit the required Photo Release Form with the first deliverable/report with photographs on October 17, 2024. The form was obtained from the Grantee by the Grant Manager on July 11, 2025, over eight months following the submission of the first deliverable/report with photographs.

Final Report

The Grantee must submit Exhibit F, Final Project Report Form, prior to requesting final payment. As this Project is ongoing, this requirement is not applicable as of the date of our review.

Florida Certified Contract Manager (FCCM) Certification

Per Section 215.971(2)(a)2., F.S., *...each grant manager responsible for agreements in excess of \$100,000 annually must complete the training and become a certified contract manager as provided under s. 287.057(15)*. We determined both Grant Managers assigned to this Agreement were FCCM certified.

CONCLUSION

During the audit, we reviewed the Grantee's compliance with the requirements of the Agreement, deliverables, disbursements, ORCP oversight, and internal controls. Our review was limited to the work and activities completed during the audit period, as the Agreement remains active and does not expire until 2026. Based on our review, we determined the Grantee received cost-reimbursement payments for some unallowable expenses. Our finding and recommendations are listed below.

FINDINGS AND RECOMMENDATIONS

Finding 1: Payment of Unallowable Expenses – The Grantee received cost-reimbursement payments for some expenses which were not allowed under the Agreement.

Our review determined the Grantee invoiced and received payment for retained funds that had not been paid out by the Grantee and for costs associated with work completed on a project not related to the Agreement. For the first three payments made to the Grantee, the invoices included a 5% retainage that had been deducted from subcontractor invoices. Our review determined the Grantee did not reduce their payment requests by the 5% upon submission to the Department. The Grantee had not paid the subcontractor the 5% retainage; therefore, it was not eligible for cost-reimbursement. As these payment requests also included Grantee matching fund consideration amounts, the non-eligible expenditures resulted in a miscalculation in matching funds as well. This issue resulted in overpayment totaling \$320,672.18 and match overages of \$147,780.70.

Additionally, we found one payment included an invoice from the subcontractor for work completed on a separate project that was not covered under the Agreement. Based on invoices, the subcontractor was conducting work for the Grantee on the Project and also

on a separate park project. One invoice submitted contained charges for work not related to the Project in the amount of \$593,914.51. Based on our review and discussions with ORCP, this was not an eligible expense and also resulted in a match overage of \$625,173.18.

In total, the Grantee was paid \$914,586.69 for non-eligible cost-reimbursement expenses resulting in a total match overage of \$772,953.88. As the Agreement is still active, we discussed this matter with ORCP who stated they were working with the Grantee to ensure funding is correct prior to the end of the project and the last payment.

Recommendations:

We recommend ORCP implement internal controls to ensure payment requests are reviewed and only include expenses that are allowable for reimbursement under the terms of the Agreement. We also recommend ORCP review all payments made to the Grantee and seek reimbursement for any amount determined to be owed to the Department.

Management's Response:

The Program has strengthened internal controls for payment request reviews. All payment requests are reviewed by multiple staff in both the Grants Section and Budget Section of the Program (primary: grant manager/budget lead; secondary: grant administrator/budget administrator), and each section completes a QAQC Checklist to ensure accuracy and compliance with all grant and fiscal requirements. If the invoice and supporting fiscal documentation are not sufficient to verify expense details and eligibility, then additional information is requested from the grantee.

The Program and Grantee reconciled the project expenses. The overpayment of \$914,586.71 will be paid back to the Department by withholding it from the next payment request(s). The Grantee is able to submit additional invoices for eligible project expenses to be later reimbursed for these funds, not to exceed the DEP grant agreement award amount.

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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