

**Review of Small County Consolidated Solid
Waste Grant Agreement SC619
with Jefferson County**

Division of Waste Management

Report: A-1617DEP-016

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

August 2, 2017

3900 Commonwealth Boulevard, MS 40
Tallahassee, Florida 32399-3000
www.dep.state.fl.us





Review of Small County Consolidated Solid Waste Grant
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The Office of Inspector General (OIG) conducted a review of the Small County Consolidated Waste Grant Agreement SC619 (Agreement) between the Department of Environmental Protection (Department) Division of Waste Management (Division) and Jefferson County (County). This review was initiated as a result of the Fiscal Year (FY) 2016-2017 Annual Audit Plan.

Scope and Objectives

The scope of this review included Agreement activities between October 1, 2015 and September 30, 2016. The objectives were to determine whether:

- reimbursed expenditures were allowable and eligible under the Agreement
- the County was in compliance with the Agreement and Work Plan

Methodology

This review was conducted under the authority of Section 20.055, Florida Statutes (F.S.) and in conformance with the *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors. Our review procedures included tests of Division and County records and procedures as well as interviews with Division and County staff.

Background

In accordance with Section 403.7095, F.S., the Department has developed the Solid Waste Management Grant Program (Program). Under the Program, counties with a population fewer than 100,000 are eligible for the Small County Consolidated Grants to assist with the costs for operating County solid waste management services.

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According to the Agreement, the County's population was estimated at 14,597; therefore, the County qualifies for Program funding assistance. For solid waste management, the County has combined resources with Madison County, Taylor County, and Dixie County to establish the Aucilla Area Solid Waste Administration, which includes a regional landfill. As one of the four partners, the County receives shareholder disbursements. All four counties qualified for assistance under the Program and received \$90,909 in funding assistance during FY 2015-2016.

The City of Monticello and the County are responsible for the collection of household waste, litter debris, and waste tires from eleven drop off centers within Jefferson County. The collected materials were transported to the Aucilla Area Regional Landfill for disposal.

According to Paragraph 1 of the Agreement, the County was eligible for reimbursement of Task 1 work performed from October 1, 2015 through September 30, 2016, or until funds were expended. The Agreement was executed on June 23, 2016. Division management indicated that the Agreement was executed late because the Small County Consolidated Solid Waste Grant funding was delayed during the legislative process. The Department reimbursed the County the total Agreement amount of \$90,909 on July 25, 2016.

Results

Review of Expenditures

Part II-Grant Conditions, Invoicing Requirements, Section (4)(A) of the Agreement states *the Grantee may submit invoices no less frequently than quarterly and no more frequently than monthly. Invoices shall be submitted within thirty days following the completion of the invoice period. The Grantee shall submit a final invoice to the Department no later than October 31, 2016, to assure the availability of funds for final payment.*

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The County submitted one reimbursement request for the total Agreement amount of \$90,909 on May 16, 2016. This included monthly tipping fee payments to the Aucilla Area Regional Landfill for the months of October through December 2015.

Task 1 Date of Service	Task 1 Amount Requested	Reimbursement Date
October 2015	\$37,627.32	7/25/2016
November 2015	\$33,632.17	7/25/2016
December 2015	\$19,649.51	7/25/2016
Total	90,909.00	

We reviewed reimbursement request supporting invoice statements submitted by the County. The submitted invoice statements included tipping fee receipts totaling \$116,449.88. The invoice statements reflected the date, description including scale ticket number, and tipping fee amount. According to County Grant staff, scale tickets from Aucilla Area Regional Landfill were provided to the County with invoice statements; however, these were not included with the reimbursement request to the Division.

The Task 1 description stated, *disposal tipping fees will not exceed the established fees of \$43.00 per ton (Class I), \$32.00 per ton (Class II) and \$145.00 per ton (waste tires) for Jefferson County. In addition, for reimbursement requests under Task 1, the monthly invoices, provided by the Landfill, will provide a waste description, and list and summarize the load weights and their cost. The Landfill includes scale tickets with the monthly invoices, which the Grantee manually enters into an Excel database. The Grantee will provide tonnage summaries, using its own Excel database report that includes: ticket number, date, truck number, class, tonnage, cost, and location the debris derived from.*

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We obtained scale tickets from October through December 2015 and compared weight amounts to fees charged in the invoice statements. The scale tickets included the ticket number, date, truck number, class, tonnage, cost, and source location. We verified tipping fees listed on the scale tickets were consistent with the recorded tipping fees on the invoice statements. These fees were also based on rates consistent with the Agreement rate requirements.

The County provided a spreadsheet from October to December 2015 totaling \$118,873.52 in tipping fees, which included a monthly summary of the class, tonnage, and cost of waste collected. The County spreadsheet did not include the ticket number, date, truck number, and location as required in the Agreement Work Plan. The total amount included in the invoice statements from October to December 2015 differed from the County's tracking spreadsheet by \$2,423.64. According to the County staff, the difference was a due to incorrect entries in the spreadsheet. We verified tipping fee payments were made to the Aucilla Area Regional Landfill by the County on November 17, 2015; December 15, 2015; and January, 19 2016. Based on discussions with the Division Grant Manager, the Agreement template was revised to include a Tonnage Summary Report to be used as guidance for all disposals.

Agreement Compliance

According to Task 1, the County was responsible for the collection and transportation of solid waste to the Aucilla Area Regional Landfill using County resources. Based on the Collection Site Schedule and discussions with the County Grant Manager and Division Grant Manager, the County's equipment and employees were utilized for the collection and transport of solid waste from eleven County sites. All Task 1 activities were performed in the first quarter of the Agreement period. Quarterly Progress Reports were not submitted to the Division due to the

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delayed execution date of the Agreement on June 23, 2016. We verified the County's Certificate of Coverage insurance, which met the Agreement requirements.

Conclusions

Based on our review, reimbursed expenditures were allowable and eligible under the Agreement. In addition, the County generally operated in compliance with the Agreement and Work Plan, with the exception of incomplete support information for requested fees.

Finding and Recommendation

The Task 1 description stated, *disposal tipping fees will not exceed the established fees of \$43.00 per ton (Class I), \$32.00 per ton (Class II) and \$145.00 per ton (waste tires) for Jefferson County. For reimbursement requests, the monthly invoices, provided by the Landfill, will provide a waste description, and list and summarize the load weights and their cost.*

For reimbursement of the total Agreement award of \$90,909, the County submitted invoice statements from the Aucilla Area Regional Landfill with tipping fee receipts totaling \$116,449.88. The invoice statements reflected the date, description including scale ticket number, and tipping fee amount. According to the County Grant Manager, scale tickets from the landfill were provided to the County with invoice statements; however, these were not included with the reimbursement request to the Division. We verified the fees charged were based on rates allowed under the Agreement, through a request to the County for weight tickets. However, Division Grant Manager did not verify this information prior to approval of payment.

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Recommendation

We recommend the Division ensure that reimbursement requests include support documentation sufficient to verify compliance with tipping fee rates specified in the Agreement prior to Division approval for payment.

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 review was conducted by Angie Cringan 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.

*Valerie J. Peacock,
Director of Auditing*

*Candie M. Fuller,
Inspector General*



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Noah Valenstein
Secretary

Memorandum

TO: Valerie J. Peacock, Director of Auditing
Office of Inspector General

FROM: F. Joseph Ullo, Jr., P.E., 
Division of Waste Management

SUBJECT: Response to Preliminary Audit Report A-1617DEP-016
Jefferson County Small County Consolidated Solid Waste Grant
Agreement SC 619

DATE: August 1, 2017

The Division of Waste Management has reviewed the Audit of the Jefferson County Small County Consolidated Solid Waste Grant Agreement, Report A-1617DEP-016. The Division concurs with the Findings and Recommendations presented in the preliminary report regarding solid waste management services provided by Jefferson County.

Office of Inspector General Findings and Recommendations:

Finding

The Task 1 description stated, *disposal tipping fees will not exceed the established fees of \$43 per ton (Class I), \$32 per ton (Class II) and \$145 per ton (waste tires) for Jefferson County. For reimbursement requests, the monthly invoices, provided by the Landfill, will provide a waste description, and list and summarize the load weights and their cost.*

For reimbursement of the total Agreement of \$90,909, the County submitted invoice statements with tipping fee receipts totaling \$116,450. The invoice statements reflected the date, description including scale ticket number, and tipping fee amount. According to the County Grant Manager, scale tickets from the landfill were provided to the County with invoice statements; however, these were not included with the reimbursement request to the Division. We verified the fees charged were based on rates allowed under the Agreement, through a request to the County for weight tickets. However, the Division Grant Manager did not verify this information prior to approval of payment.

Recommendation:

We recommend the Division ensure that reimbursement requests include support documentation sufficient to verify compliance with tipping fee rates specified in the Agreement prior to Division approval for payment.

Division Response:

The Division's grant managers have been instructed to request data (scale tickets) from the grantees that support the data listed in the agreement exhibits, e.g., Tonnage Summary Reports, Recycling Summary Report. The grant managers have also been reminded of the importance of ensuring the items listed as deliverables in the Work Plan are addressed completely and sufficient supporting documentation is provided to give the grant manager a basis for certifying the deliverable is complete and advising the grantee to submit their payment request based on the approved deliverable. These steps should improve the Division's ability to ensure the reimbursement requests include support documentation sufficient to verify compliance with the items specified in the Agreement prior to requesting approval for payment.