

Audit of Broward County Cleanup Contract S0479

Division of Waste Management

Report: A-1516DEP-019

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

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The Office of the Inspector General (OIG) conducted an audit of Petroleum Cleanup Contract S0479 (Contract), between Broward County Board of County Commissioners (County) and Florida Department of Environmental Protection (Department) Division of Waste Management (Division) Petroleum Restoration Program (PRP). This audit was part of the Fiscal Year (FY) 2015-2016 Annual Audit Plan.

Scope & Objectives

The scope of this audit included activities related to the Contract, Task Assignments 5 and 6, beginning July 1, 2013 through June 30, 2015. The objectives were to:

- determine whether costs reported by the County were reasonable and allowable according to the Contract
- determine if the Year End Financial Statements were accurate
- evaluate Contract management and oversight of the County and performance and reporting of tasked sites

Methodology

This audit was conducted under the authority of Section 20.055, Florida Statutes (F.S.), and in conformance with the current *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors.

Our procedures included the following:

- review of Sections 376.3071 and 376.3073, F.S.
- review of Contract S0479, amendments, and change orders

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- interviews with Division and County staff
- review of previous audits
- review of Task Assignments 5 and 6 (July 1, 2013-June 30, 2015)
- review of Division and County documentation, including:
 - employee time reports, positions, and contact information
 - payroll and expenditure documentation
 - detailed site activity listing

Background

According to Section 376.3073(1), F.S., *the Department shall, to the greatest extent possible and cost-effective, contract with local governments to provide for the administration of its departmental responsibilities through locally administered programs.*

Section 376.3073(3), F.S. states *upon approval of its application, an eligible local government shall be entitled, through written contact with the Department, to receive sufficient funds to administer the local program.* The Contract provides that a reasonable cost of administration investigation and other related activities be paid to the local government from Inland Protection Trust Fund (IPTF) created under Section 376.3071 F.S.

The Department entered into the Contract with the County on January 1, 2010. The Contract expires on June 30, 2016. Funding for Task Assignments 5 and 6 included:

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Task Assignment	Period	Task Funding	Sites Tasked	Sites Managed
5	07/01/13 - 06/30/14	\$504,174.49	210	283
6	07/01/14 – 06/30/15	\$681,746.11	245	264

Results & Conclusions

Review of Expenditures

We reviewed County expenditures as represented in the Year End Financial Statements. Based on County PRP documentation, eleven full time employees work with PRP. Department funds are used for seven of the eleven employees. The County tracks staff time and attendance using a workforce management program called KRONOS. KRONOS tracks employee time, attendance and schedules. However, KRONOS does not track employee time specific to the Contract. The salaries of the seven full time employees reported in the Year End Financial Statements were supported by salary documentation provided by the County.

The County provided the expenditure listings used to support amounts reported in the Year End Financial Statements for Task Assignment 5 and 6, along with appropriate documentation to support the listings. We reviewed County expenditure detail for vehicle, travel, and communications expenditures. Expenditures listed were consistent with support detail, allowable, and were reasonable for PRP activities.

Year End Financial Statements

We reviewed calculations used in the Year End Financial Statements. Based on supported expenditure documentation, the County used supported expenditures to determine the

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year-end balance and carry forward amounts for Task Assignments 5 and 6. Both Task Assignment 5 and 6 included a carry forward balance below 10% of the previous year funding. See the table below.

Broward County Year End Financial Statements		
Task Assignment	5	6
Beginning Balance	\$ 142,117.00	\$ 17,857.00
Invoices Submitted (not yet paid)	\$ -	\$ -
Total received and due from DEP	\$ 504,174.49	\$ 681,746.00
Total Income	\$ 646,291.49	\$ 699,603.00
Salary and Benefits	\$ 553,586.03	\$ 608,275.90
Travel	\$ 3,848.67	\$ 2,474.49
Equipment Purchase	\$ -	\$ 1,158.00
Vehicle Expenses	\$ 5,346.02	\$ 6,568.08
All Other Expenditures	\$ 65,652.94	\$ 66,734.34
Total Expenses	\$ 628,433.66	\$ 685,210.81
Ending Balance	\$ 17,857.83	\$ 14,392.19
10% of Task Funding	\$ 50,417.45	\$ 68,174.60
Fund Balance in excess of 10%	\$ -	\$ -
Carry Forward to next Task Assignment	\$ 17,857.83	\$ 14,392.19

Site Activity

The amount of funds provided for each Task Assignment is based on an estimated cost to manage each site. For Task Assignment 5, the County was assigned to manage 210 total sites, including 83 program sites and 127 non-program sites. For Task Assignment 6, the County was assigned 245 total sites, including 140 program sites and 105 non-program sites.

Based on review of site activity documentation, the County managed 283 program and non-program sites for Task Assignment 5, and a total of 264 program and non-program sites for

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Task Assignment 6. Through the site activity log provided by the County, all sites included in Task Assignment monthly invoices documented activity, with the exception of two non-program sites in Task Assignment 6.

Site Management Performance

According to the Contract, each site manager should be assigned no more than 50 sites per Task Assignment. Based on staff interviews and documented site activity provided by the County, during Task Assignment 5, two site managers were assigned over 50 sites. In Task Assignment 6, all site managers were assigned no more than 50 sites.

According to the Contract, database entries must be made into Storage Tank Contamination Monitoring (STCM) within 30 calendar days of activity, and documents submitted to the Departments central file (OCULUS) within 60 calendar days of receipt. A compliance rate of 90% is required.

Based on a review of STCM entries, 920 documents were uploaded in Task Assignment 5 and 984 were uploaded in Task Assignment 6. During Task Assignment 5, 896 were uploaded in the required timeframe and during Task Assignment 6, 951 documents were uploaded in the timeframe, resulting in a compliance rate of 97% for both Task Assignments. Based on review of the same documents uploaded to OCULUS for both Task Assignments, the County's compliance rate was 99%.

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Based on the areas reviewed, the County's overall financial reporting and performance activities documented during the audit period were consistent with requirements related to Task Assignments 5 and 6.

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 Christine Cullen 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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