

Audit of Broward County Compliance Contract GC691

Division of Waste Management

Report: A-1516DEP-018

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 Contract GC691 between the Broward County Board of County Commissioners (County) and the Florida Department of Environmental Protection (Department). This audit was part of the Fiscal Year (FY) 2015-2016 Annual Audit Plan.

Scope & Objectives

The scope of this audit included a review of activities performed under Contract GC691 Task Assignment 8, during FY 2014-2015. The objectives were to evaluate the:

- County's compliance inspection performance to the Task Assignment
- Department's oversight of the compliance inspection contract and inspections performed

Methodology

This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors, and under the authority of Section 20.055, Florida Statutes (F.S.). It included reviewing materials and activities related to the compliance inspection services in the County. We conducted interviews with Division of Waste Management (Division) and County staff. We obtained documentation from the Division and County, and through the Storage Tank Contamination Monitoring (STCM) and OCULUS databases.

Our procedures included reviews of the following:

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- Contract GC691, and amendment number 3
- Sections 376.3071 and 376.3073, F.S
- Task Assignment and invoices for Task Assignment 8
- Chapter 62-761 Florida Administrative Code (F.A.C.), Underground Storage Tanks System, and Chapter 62-762 F.A.C., Aboveground Storage Tank System
- Florida Inspection Reporting for Storage Tanks (FIRST) downloads, documentation, and program guidance

Background

The Department entered into Contract GC691 with the County for a 10-year period beginning July 1, 2007. The Division compensates the County on the basis of completed inspections. The Task Assignment funding is based on the number of routine inspections assigned along with an estimated amount for variable inspections to be performed by the County. The total amount allocated for Task Assignment 8 was \$348,513.75.

During Task Assignment 8, FY 2014-2015, the County was assigned 780 facilities. The Department paid the County \$336,085.85 for completion of 780 annual inspections and 155 variable inspections.

Results & Conclusions

At the beginning of Task Assignment 8, the County was given an exhibit on June 23, 2014 listing all priority annual inspections for the year. The initial exhibit included several tanks

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from either closed facilities, or tanks that were under 550 gallons, and did not require inspection. A revised exhibit was provided to the County on August 12, 2014. Eight sites were substituted and approved from the initial exhibit. Of the 107 inspections completed in the first month of the Task Assignment, (July 2014), 91 were not on the revised exhibit. The Division paid for these inspections. Annual inspections included on the revised exhibit that were not completed during Task Assignment 8, were assigned on the exhibit for Task Assignment 10¹ FY 2015-2016.

The County invoiced the Division for a total of 780 annual inspections, which were completed by the County. Upon receipt of the initial exhibit, the County assigned all inspections to staff on a geographical basis. Due to the County pre-assigning inspections to staff, the County performed eight inspections from the initial exhibit that were not billed to the Division, with the exception of one routine inspection that was invoiced and paid by the Division in December 2014.

According to Federal Register 40 Code of Federal Regulation (CFR) Parts 280 and 281, the Federal Environmental Protection Agency (EPA), underground storage tanks (UST's) must be inspected at least every three years. Based on the list of completed inspections, none of the County's registered UST's exceeded the requirement.

We reviewed a sample of fifty-three routine inspections to verify that inspections assigned were performed. As evidence of inspection activity, we reviewed inspection reports for signatures of inspectors and site staff, pictures, and indication of the provided report. Of fifty-

¹ Task Assignment 9 was issued to the County for outreach service to develop training materials for Owners and Operators of storage tank systems.

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three sampled inspections, fifty-two reports included signatures, fourteen included pictures, and thirty-three included notation that the report was sent. See the following table.

Routine Inspections – Task Assignment 8						
Sample	Signature	Percentage	Pictures	Percentage	E-mail	Percentage
53	52	98%	14	26%	33	62%

During Task Assignment 8, of the 787 annual inspections performed, 486 (62%) of the facilities were in compliance. Guidance Document F, Level of Effort Guidance, stated that upon discovery of a significant non-compliance violation, local programs shall issue a Non-Compliance Letter to the facility owner/operator within 10 working days. Of the 301 total non-compliance letters issued for Task Assignment 8, 299 (99%) were issued within 10 working days.

The Contract states, *all noncompliance letters shall be issued through FIRST in such a way as to ensure the database’s capture of these activities for report purposes.* All of the 301 non-compliance letters were included in FIRST.

According to the Contract, during annual Task Assignments, 33% of routine inspections should be completed after four months, 66% after eight months, and 100% after twelve months. During Task Assignment 8, the County had performed 74% of routine inspections by month eight. See the table below.

Task Assignment 8 Invoiced Inspections by Fourth Month Percentage and Total Inspections								
Assigned Facilities	October		February		June		Inspections	
	Number	Percentage	Number	Percentage	Number	Percentage	Variable	Total
780	315	40%	580	74%	780	100%	155	935

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The District completed a program review of the County on July 21, 2013, and the County scored 85.4 points out of 100 points. In the review, the District recommended that County staff familiarize themselves with required information for inspection comments, according to the FIRST User's Guide. The District also recommended the County improve documentation of observations overall. The District completed a program review of the County in May 2015, and the County corrected review discrepancies by including detailed documentation of inspection review notes in the comments. The County scored 94.35 points out of 100 points on the Program Review for Task Assignment 8, showing an overall improvement.

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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