

**Review of Alachua County Household
Hazardous Waste Cooperative Grant**

Division of Waste Management

Report: A-1516DEP-009

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

May 3, 2016

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





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Table of Contents

Scope & Objectives	1
Methodology	1
Background	1
Results & Conclusions	3
Management Comment	6

The Office of Inspector General (OIG) conducted a review of the Alachua County (County) Household Hazardous Waste Cooperative Grant, Division of Waste Management (Division). This review was initiated as a result of the Fiscal Year (FY) 2015-2016 Annual Audit Plan.

Scope & Objectives

The scope included a review of the County Household Hazardous Waste Cooperative Grant Agreement S0716 (Agreement), for FY 2014-2015. The objectives were to determine whether:

- reimbursed expenditures were allowable and eligible under the Agreement
- assets procured with Agreement funds were being used in the grant program
- the County was in compliance with the Grant Agreement 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

Section 403.7265, F.S. establishes the Household Hazardous Waste Cooperative Grant Program funded through the Water Quality Assurance Trust Fund, as specified in Section 376.307, F.S. These funds assist small counties with household hazardous waste recycling.

Review of Alachua County Household Hazardous Waste Cooperative Grant
Division of Waste Management

Report: A-1516DEP-009

The Agreement between the Department of Environmental Protection (Department) and the County included eight neighboring counties; Baker, Bradford, Columbia, Dixie, Gilchrist, Lafayette, Nassau and Union. As part of the Agreement, the County executed Inter-Local Agreements with each neighboring county. The County received funding of up to \$10,000 per county assisted, including Household Hazardous Waste Amnesty Day Events (Events). According to the Agreement, the Department reimburses up to 75% of costs for Events. Neighboring counties each contribute 25% of the Event funding. The County coordinates Events and submits reimbursement requests to the Division. The budgeted amount for the Agreement was \$143,000.

The Agreement was not fully executed until December 4, 2014. However, it allowed for retroactive expenditures beginning July 1, 2014. The table below indicates the amount of funding allocated during FY 2014-2015 and the actual reimbursements for each neighboring county.

County	Task Amount	Task Reimbursement	Task Balance
Alachua (Host)	\$ 80,000.00	\$ 80,000.00	\$ -
Baker	\$ 5,000.00	\$ 3,553.14	\$ 1,446.86
Bradford	\$ 7,500.00	\$ 6,090.53	\$ 1,409.47
Columbia	\$ 15,000.00	\$ 11,005.83	\$ 3,994.17
Dixie	\$ 7,000.00	\$ 7,000.00	\$ -
Gilchrist	\$ 10,000.00	\$ 9,912.22	\$ 87.78
Lafayette	\$ 3,500.00	\$ 3,457.43	\$ 42.57
Nassau	\$ 11,000.00	\$ 8,943.38	\$ 2,056.62
Union	\$ 4,000.00	\$ 3,010.60	\$ 989.40
Totals:	\$143,000.00	\$ 132,973.13	\$ 10,026.87

At the end of the task, the remaining balance of \$10,026.87 was returned to the Water Quality Assurance Trust Fund.

Results & Conclusions

The Agreement required quarterly reimbursement request submissions on September 30, December 31, March 30, and June 30. The County submitted reimbursement requests for each neighboring county in the last half of the Agreement period and provided quarterly progress reports as required. We verified documentation for Events and required progress reports, as well as reimbursement requests for the following activities.

Neighboring County	Amnesty Day Event	County Submitted Reimbursement Request	Division Approved Payment
Baker	2/28/2015	6/1/2015	6/23/2015
Bradford	2/21/2015	6/1/2015	6/23/2015
Columbia	4/11/2015	6/1/2015	6/23/2015
Dixie	3/28/2015	6/1/2015	6/23/2015
Gilchrist	3/14/2015	6/1/2015	6/23/2015
Lafayette	1/31/2015	6/22/2015	6/25/2015
Nassau	4/18/2015	6/1/2015	6/23/2015
Union	3/7/2015	6/1/2015	6/23/2015

We verified that each neighboring county paid the required 25% contribution to the County. We also verified expenditures submitted to the Division for reimbursement were paid by the County. Purchased equipment and supplies, as documented by the County, were allowable according to the Agreement Grant Work Plan and were used in the Household Hazardous Waste Program in the County and neighboring counties.

Review of expenditures

Based on review of documentation submitted for each neighboring county's expenses, invoices were consistent with the Agreement Task 1 requirements, with a minor salary exception (noted below). The expenses submitted and reviewed included:

- hazardous waste management and disposal costs
- salaries and fringe benefits
- contracts for collection, processing, and disposal
- equipment and Supplies (Caterpillar forklift, tent rental, cardboard, stretch wrap)
- advertising

We verified invoices and supporting documentation submitted with reimbursement requests were consistent with Event activities. We also reviewed salary reimbursements to verify payments were for allowable household hazardous waste program personnel and were consistent with the Agreement. With a minor exception, salary costs submitted were allowable and consistent with the Agreement.

In Task 1 of the Agreement, the host County salaries were budgeted for work related to Events. Hourly rates and budgeted hours were specified in Task 1. During the Agreement period, one County staff member received a position reclassification and a wage increase from \$18.67 to \$22.17 per hour. As a result, the actual amount paid for salaries increased although the hours submitted as a whole were less than budgeted. There was no documentation available supporting an amendment to the Agreement or the Division's agreement to pay the increased rate.

Assets Procured with Grant Funds

The Agreement (Task 2) allows the County \$10,000 per county to assist *for hazardous waste collection center activities/upgrades in the Grantee County*. During the Agreement period, the County purchased a forklift for \$30,303. According to the County Administrator, the forklift is used in the household hazardous waste program. We verified the forklift was in use at the County's household hazardous waste facility during our site visit. The remaining expenditures submitted for host County reimbursement included advertising, contractual work, and supplies. All Task 2 expenditures submitted were allowable and compliant with the Agreement.

Agreement Compliance

Based on our review, the work performed by the County at their hazardous waste facility, and neighboring county Events, was consistent with requirements specified in the Grant Agreement's Work Plan.

The County's inter-local agreement with Nassau County included Keep Nassau Beautiful, a 501c3 organization. The inter-local agreement states, *by and between Alachua County, a charter county and political subdivision of the State of Florida, by and through its Board of County Commissioners, hereinafter referred to as "Host County," and Nassau County, hereinafter referred to as "Neighboring County."* Keep Nassau Beautiful, Inc., a not for profit 501c3 agency organized under the laws of the state of Florida, hereinafter referred to as "Agency", will act on behalf of the Neighboring County. According to Section 403.7265, F.S., the Household Hazardous Waste Cooperative Grant Program assists small

Report: A-1516DEP-009

Counties (those with a population less than 100,000) with household hazardous waste recycling. Not For Profit entities are not included in the program as eligible neighboring local governments.

During our review, the Division and County worked with Nassau County to revise the inter-local agreement to remove Keep Nassau Beautiful, Inc. as the listed neighboring county.

Management Comment

Salaries

Task 1 of the Agreement included host County budgeted salary rates and hours relating to neighboring county Events. During the Agreement period, one County staff member received a position reclassification and a wage increase from \$18.67 to \$22.17 per hour. As a result, the actual amount paid for salaries increased although the hours submitted was less than budgeted. There was no documentation available supporting an amendment to the Agreement or the Division's agreement to pay the increased rate.

Job Title per Agreement (S0716) Task 1	Hourly Rates Per S0716 ¹	Budgeted Hours per Task 1 S0716	Amount per Agreement	Actual Hours Submitted	Amount submitted	Difference
Hazardous Waste Coordinator	\$28.58	101	\$2,207.82	101	\$2,164.57	\$ (43.25)
Environmental Specialist	\$22.54	67	\$1,132.65	70	\$ 1,183.61	\$ 50.96
Hazardous Waste Attendant	\$11.58	54	\$469.00	41	\$ 356.17	\$ (112.83)
Hazardous Waste Attendant	\$12.70	80	\$771.54	87	\$ 828.88	\$ 57.34
Environmental Specialist	\$18.67	48	\$658.12	0	\$ -	\$ (658.12)
² Sr. Environmental Specialist	\$22.17	0		49	\$ 814.79	\$ 814.79
Totals		350	\$ 5,239.13	348	\$ 5,348.02	\$ 108.89

¹ These rates do not include fringe benefits that were budgeted in Task 1 and calculated as 24.92% of salaries.

² The County submitted invoice documentation for the Senior Environmental Specialist position at a rate of \$22.17 per hour rather than the Environmental Specialist position budgeted at a rate of \$18.67 per hour.

Review of Alachua County Household Hazardous Waste Cooperative Grant
Division of Waste Management

Report: A-1516DEP-009

As part of invoice payment process, the Division should verify expenditures for salaries reimbursed are consistent with rates specified in the Agreement.

To promote accountability, integrity, and efficiency in state government, the OIG completes audits and reviews of agency programs, activities, and functions. Our review 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 Kim Vickery 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*