

**Review of Beaches, Inlets and Ports Program
Permit Fee Assessment**

Office of Resilience and Coastal Protection

Report: A-2021DEP-018

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

March 7, 2022

3900 Commonwealth Boulevard, MS 40
Tallahassee, Florida 32399-3000

<https://floridadep.gov/>





Review of Beaches, Inlets and Ports Program
Permit Fee Assessment
Office of Resilience and Coastal Protection



Report: A-2021DEP-018

Table of Contents

Scope and Objectives	1
Methodology	1
Background	1
Results and Conclusions	2
Finding and Recommendation.....	3
ORCP Response	6

Report: Report: A-2021DEP-018

The Office of Inspector General (OIG) conducted a review of the Office of Resilience and Coastal Protection (ORCP) Beaches, Inlets and Ports Program (BIPP) permit fee assessment. This review was initiated as a result of the Fiscal Year (FY) 2020-2021 Annual Audit Plan.

Scope and Objectives

The scope of this review included applications, permits, and associated fees processed beginning January 1, 2020. The objectives were to:

- determine whether application fees for Joint Coastal Permits (JCP) and Environmental Resource Permits (ERP) issued by BIPP are assessed in accordance with Chapters 62B-41.0085, 62-4.050, 62B-49.005, 62B-49.006 Florida Administrative Code (F.A.C.)
- evaluate BIPP management oversight and controls over BIPP's assessment of JCP and ERP permit fees

Methodology

This review was conducted under the authority of Section 20.055, F.S., and in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors. Our procedures included a review of statutory and rule requirements, BIPP internal controls and procedures, interviews with staff, and review of BIPP records.

Background

Section 161.041, F.S., states, *If a person, firm, corporation, county, municipality, township, special district, or public agency desires to make any coastal construction or reconstruction or change of existing structures, or any construction or physical activity undertaken specifically for shore protection purposes, or other structures and physical activity including groins, jetties, moles, breakwaters, seawalls, revetments, artificial nourishment, inlet sediment bypassing, excavation or maintenance dredging of inlet channels, or other deposition or removal of beach material, or construction of other structures of a solid or highly impermeable design upon state sovereignty lands below the mean high-water line of any tidal water of the state, a coastal construction permit must be obtained from the department before the commencement of such work.*

Report: Report: A-2021DEP-018

The BIPP receives two types of permit applications, which include JCP for a coastal construction activity that could impact environmental resources located on sovereign submerged lands and ERP for navigational dredging of deep water ports. BIPP reviews permit applications to ensure that any potential adverse impacts have been avoided or minimized, and that the project meets the permit criteria specified in statute and rule.

In accordance with Chapter 62B-49.005(3), F.A.C., the Department is required to make a determination of application completion or request to the applicant for additional necessary information within 30 days. Chapter 62B-49.005(6), F.A.C., requires the Department to issue a consolidated notice of denial or intent to issue a permit within 90 days of the receipt of a completed application. Chapter 62-4.050(4), F.A.C., outlines processing fees associated with Department permits. Chapter 62B-41.0085, F.A.C. further outlines requirements for assessment of coastal construction permit application fees. Between January 1, 2020 and August 23, 2021, BIPP received 92 permit applications.

Results and Conclusions

From the 92 JCP and ERP applications received by BIPP between January 1, 2020 to August 23, 2021, we reviewed a sample of nine JCP applications and one ERP application for compliance with Chapters 62B-41.0085, 62B-4.050, 62B-49.005, and 62B-49.006 F.A.C.

Timeliness of Application Processing

Chapter 62B-49.005(3), F.A.C. requires the Department to make a determination of application completion or request to the applicant for additional necessary information within 30 days. Based on our review of the sampled applications and the Department's Notices of Intent to Issue (or deny) and Requests for Additional Information (RAI) documents, we verified determinations or RAIs were issued within 30 days.

Chapter 62B-49.005(6), F.A.C. requires the Department to issue a consolidated notice of denial or intent to issue a permit within 90 days of a completed application. Based on our review of permit file documents for the ten sampled applications, BIPP provided a notice of intent to issue the permit within 90 days of receiving the completed application for nine. The remaining application was still in process at the time of our audit and was not determined to be complete.

Report: Report: A-2021DEP-018

Fee Collection

Chapters 62B-41.0085(1), and 62B-49.006(1), F.A.C. require each application to be accompanied by the full application fee(s). Chapter 62B-49.006(2), F.A.C. requires the Department to notify the applicant of any unsubmitted fees via RAI, of the full application fee and requires remittance of the applicable fee within 45 days of response to the RAI. Based on our review of application fee submittals for the nine completed applications, required fees were collected timely as required.

Calculation and Collection of Permit Application Fees

For the ten sampled applications, we reviewed permit application fees assessed by BIPP for each project to the fee schedules outlined in Chapters 62-4.050, and 62B-41.0085, F.A.C. Based on our review of the projects described in the sampled completed permit applications, BIPP's assessment of fees appeared to be consistent with fee schedule descriptions outlined in rule for seven. Three JCP applications were assessed fees for construction and major modifications to existing structures under Chapter 62B-41.0085(3), F.A.C. in a manner that appeared inconsistent with the fee schedule. In these instances, fees for minor structures and activities were applied in a subjective manner. Based on discussions with staff, BIPP does not have documented procedures or guidance which would clarify a consistent process for assessment of JCP application fees.

Finding and Recommendation

Finding: Permit Fee Assessment

Chapter 62B-41.0085(3), F.A.C., states that *Applications for construction and major modifications to existing structures, any part of which are sited seaward of mean high-water on sovereignty submerged lands, shall be assessed a fee in accordance with the following schedule:*

- a) *Rigid coastal structures: \$2,000.00 for structures up to 100 feet in length, plus \$500.00 for each additional 50 feet of length or portion thereof. For fee payment purposes, the length of the structure shall include return walls.*
- b) *Beach restoration: \$2,000.00 for the first 50,000 cubic yards of fill, plus \$500.00 for each additional 50,000 cubic yards of fill or portion thereof.*

Review of Bureau of Beaches, Inlets, and Ports Program
Division of Resilience and Coastal Protection

Report: Report: A-2021DEP-018

- c) *Construction and maintenance dredging of inlets: \$2,000.00 for the first 10,000 cubic yards of dredged material plus \$250.00 for each additional 10,000 cubic yards of dredged material or portion thereof if such material is placed in an upland or offshore disposal site. If such material is to be placed on the beach or in an approved nearshore area, the fee schedule shall be calculated using paragraph (b) above, for the amount proposed to be placed on the beach.*
- d) *Inlet-related structures, major reconstruction and other major structures and activities: \$1,000.00 per structure.*
- e) *Minor structures and activities, minor reconstruction of existing structures, amended applications, and administrative approval of each subsequent nourishment or maintenance dredging operation shall be assessed a fee of \$500.00.*
- f) *Requests for renewal reviews for long term inlet maintenance dredging permits shall be assessed a fee of \$750.00.*
- g) *Requests for time extensions or transfer of existing permits shall be assessed a fee of \$100.00.*

Chapter 62B-41.0085(4), F.A.C., further states that *Permit fees for each individual structure, except minor structures, shall be added together for each application.*

Two of the JCP applications included in our sample were assessed fees under Chapter 62B-41.0085(3)(b) and (e), F.A.C. One JCP application was assessed fees under Chapter 62B-41.0085(3)(c) and (e), F.A.C. In those instances, the projects included structures which fit the criteria for either beach restoration or construction and maintenance dredging of inlets. The project structures were also considered by BIPP staff as either minor construction or minor activities due to the limited nature of the project activity.

As stated, the rule provides that applications shall be assessed a fee in accordance with the schedule, not multiple fees from the schedule unless the project includes separate individual structures. As a result, BIPP's assessment of JCP fees under the rule for both beach restoration/dredging and minor structures or activities for the project's structure did not appear

Review of Bureau of Beaches, Inlets, and Ports Program
Division of Resilience and Coastal Protection

Report: Report: A-2021DEP-018

consistent with Chapter 62B-41.0085(4), F.A.C. Based on correspondence from BIPP staff, minor structures and activities are not clearly defined under the rule, and the application of the fee was subjective. Based on discussions with BIPP staff, in the past, BIPP had differing direction on assessing the fee. Aside from rule, BIPP does not have documented procedures or guidance which would clarify a consistent process for assessment of JCP application fees.

Recommendation:

Going forward, we recommend ORCP work with BIPP to ensure the assessment of JCP permit application fees are applied consistent with Chapter 62B-41.0085, F.A.C. Applications for construction and major modifications to existing structures applicable under Chapter 62B-41.0085(3), F.A.C., should be assessed a fee for each individual structure, except minor structures, in accordance with the schedule. In addition, we recommend ORCP work with BIPP to establish documented procedures to ensure consistent and accurate assessment of fees.

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 Daniel Martin 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 <https://floridadep.gov/oig/internal-audit/content/final-audit-reports>. 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*



FLORIDA DEPARTMENT OF Environmental Protection

Bob Martinez Center
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Shawn Hamilton
Secretary

March 3, 2022

Valerie Peacock
Department of Environmental Protection
Office of Inspector General
Audit Director

RE: Review of Beaches, Inlets and Ports Program Permit Fee Assessment (Preliminary Report A-2021DEP-018)

The Beaches Inlets and Ports Program (BIP) is in receipt of the preliminary audit report.

BIP Permit managers utilize rules 62-4, 62B-41, and 18-21, F.A.C. to assess fees for individual projects. The Program also utilizes an excel spreadsheet to automatically calculate a total application fee for a given permit application. However, the tool relies on user input to add applicable categories.

In order to address the findings of the preliminary report, BIP staff will draft a new section in the permit managers handbook that provides clear instructions on when each category should be assessed. This update to the permit managers handbook is expected to be complete by the end of the calendar year.

A handwritten signature in blue ink, appearing to read "G. Garis".

Gregory W. Garis.
Program Administrator
Beaches, Inlets and Ports Program
Office of Resilience and Coastal Protection

March 7, 2022

Page 6 of 6