

**Review of Hazardous Waste Cooperative Collection Center
Arrangement Grant Agreement S0836
with Jefferson County**

Division of Waste Management

Report: A-1617DEP-015

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

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





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The Office of Inspector General (OIG) conducted a review of the Hazardous Waste Cooperative Collection Center Arrangement Grant Agreement S0836 (Agreement) between the Department of Environmental Protection (Department) Division of Waste Management (Division) and Jefferson County (Host County). This review was initiated as a result of the Fiscal Year (FY) 2016-2017 Annual Audit Plan.

Scope and Objectives

The scope included Agreement activities between July 1, 2015 and June 30, 2016. The objectives were to determine whether:

- reimbursed expenditures were allowable and eligible under the Agreement
- the Host 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 Host County records and procedures as well as interviews with Division and Host County staff.

Background

The Local Hazardous Waste Collection Program is established under Section 403.7265, F.S. Grants are authorized under this program for local governments to provide a local or regional hazardous waste collection center. Grants are authorized for collection center costs associated with capital outlay for preparing a facility or site to safely serve as a collection center and cover cost of administration, public awareness, and local amnesty day programs. The

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Agreement between the Department and Host County included two neighboring counties; Madison and Wakulla. Per the Agreement, the Host County executed Inter Local Agreements with each neighboring county that were executed prior to the Agreement.

According to Section 403.7265, F.S. and the Agreement, the Department reimburses up to 75% of costs for Amnesty Day Events (Event(s)). Neighboring counties each contribute 25% of the Event funding. Task 1 provided \$32,000 in funding for hazardous waste collection in neighboring counties. Task 2 provided \$20,000 in funding for the Host County hazardous waste collection center activities. The total budget amount in the Agreement was \$52,000. The Department reimbursed the County \$34,763.50 for requested Task 1 and Task 2 expenses on June 27, 2016.

Results and Conclusions

Review of Expenditures

Based on the Agreement Grant Work Plan, Section 11, *the Grantee shall provide an event report to the Department detailing work completed, problems encountered and problem resolution for the required event. The event report shall also include the date, time, and location of the collection event(s), the types and amounts of waste collected, the final destination of such waste, type and number of participants served, and other information that may be asked for by the Department. The event report shall be submitted no later than sixty days (60) after the event.*

The Event Reports for Task 1 expenses submitted by the Host County included expense summaries and were submitted on December 21, 2015, December 23, 2015, and May 20, 2016, for each Event as required in the Agreement. Wakulla County Events were held on October 24, 2015 and April 30, 2016. Event expenses totaled \$25,568.21 of which, 75%

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(\$19,176.16) was reimbursed by the Department. Madison County held one Event on November 17, 2015, with documented expenses of \$8,598.08. The Department reimbursed the Host County 75% (\$6,448.56).

We compared invoices and supporting documentation for Task 1 expenses submitted by the Host County to the maximum cost and detail budget by category allowances. Task 1 activities included contractual services, salaries, and miscellaneous (truck rental) expenses. Task 1 expenses were supported by invoices and were within the maximum cost in the Agreement.

Neighboring County	Task 1 Activity	Task 1 Maximum Cost	Task 1 Budget by Category	Task 1 Submitted Expenses	Difference	Task 1 Remaining Balance
Madison	Contractual		\$6,000	\$6,092.34	-\$92.34	
	Salaries		\$358.86	\$176.22	\$182.64	
	Truck Rental		\$180	\$180	\$0.00	
Madison Total		\$7,000	\$6,538.86	\$6,448.56	\$90.30	\$551.44
Wakulla	Contractual		\$20,006.25	\$17,630.28	\$2,375.97	
	Salaries		\$1,009.94	\$825.88	\$184.06	
	Truck Rental		\$720	\$720	\$0.00	
Wakulla Total		\$25,000	\$21,736.19	\$19,176.16	\$2,560.03	\$5,823.84
Task 1 Total		\$32,000	\$28,275.05	\$25,624.72	\$2,650.33	\$6,375.28

Expenses submitted by the Host County were within the detail budget by category allowances with the exception of Madison County contractual expenses. Based on review of salary expenses, one Host County staff hourly rate of pay for the October and November 2015 Events reflected inconsistencies between the submitted invoices and timesheet records. Upon request, the Host County provided supporting payroll documents, which supported the staff hourly rate of pay submitted for reimbursement. The detail budget by category allowances totaled \$3,724.95 less than the Task 1 maximum cost. Task 1 activities were completed by

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May 31, 2016, as required in the Agreement. We verified both neighboring counties paid the required 25% contribution to the Host County with minor discrepancies.

Under Task 2, the Host County was allowed \$10,000 per neighboring county to assist with *hazardous waste collection center activities/upgrades in the Grantee County*. The Event Report for Task 2 expenses submitted by the Host County included expense summaries and a Payment Request Summary Form dated June 10, 2016, totaling \$9,138.78. The remaining Task 2 balance was \$10,861.22. We compared Task 2 detail budget by category to expenses submitted by the Host County for reimbursement.

Host County Task 2 Activity	Task 2 Budget by Category	Task 2 Reimbursed Expenses	Task 2 Remaining Balance
Contractual	\$10,540.92	\$1,385.50	\$9,155.42
Salaries	\$6,659.08	\$6,253.28	\$405.80
Supplies	\$2,800	\$1,500	\$1,300
Total	\$20,000	\$9,138.78	\$10,861.22

Task 2 expenses were allowable and were completed by June 12, 2016, as required in the Agreement with minor discrepancies. Salary expenses included Task 2 activities performed by three Host County staff. The Host County Grant Manager submitted staff invoices with job descriptions, pay rates, and hours worked for each staff during the Agreement Period.

Agreement Compliance

Task 1 and Task 2 activities performed by the Host County and neighboring counties were consistent with the Agreement requirements with the exception of minor discrepancies. Under Task 1, the Host County was required to *provide documentation of the occurrence of the Neighboring County's collection in the form of newspaper coverage or advertisement of the*

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collection with the date and title of the publication included in the clipping. Per invoices, advertisements, and interviews with the Host County Grant Manager and neighboring counties, advertising for the Events was coordinated with each neighboring county via the newspaper as required in the Agreement.

Task 1 also specified that the Host County was required to *assist the neighboring county with advertising the event and distributing public awareness information on proper hazardous waste management to local media, schools, agricultural agents, realtor associations, civic service organizations, and to Earth 911 via their website at www.Earth911.org.* Based on discussions with the Host County Grant Manager, newspaper advertising was the only form of public distribution used during the Agreement period. No other public awareness information was circulated regarding hazardous waste management to the local media, schools, agricultural agents, realtor associations, civic service organizations, and website at www.Earth911.org.

According to Section 3(E)(5) of the Agreement, *the Grantee shall utilize Attachment D, Progress Report Form, to describe the work performed during each quarterly reporting period, problems encountered, problem resolution, schedule updates and proposed work for the next reporting period. Quarterly Reports shall be submitted to the Department's Grant Manager no later than twenty (20) days following the completion of the quarterly reporting period.* We obtained the Quarterly Progress Report dated October 1, 2015 to December 30, 2015. The Division Grant Manager indicated that the first Quarterly Progress Report was not submitted due to the delayed execution date of September 15, 2015. The remaining two Quarterly Progress Reports were not submitted to the Division Grant Manager.

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Based on the Agreement Grant Work Plan, the Host County was responsible for *developing and following an operational and contingency plan to ensure that waste is managed in a safe working environment to minimize the risk of injury, accidents, and spills: and that only waste generated by CESQG's and households is accepted at the center.* We verified the Host County had established a Contingency Plan. The Host County was also required to *develop and follow an operational site-specific health and safety plan for the cooperative collection event to ensure that waste is managed in a safe working environment to minimize the risk of injury, accidents, and spills; and that only waste generated by CESQGs and household is accepted at the event.* According to the Host County Grant Manager, the Contingency Plan was used for Events as site-specific Health and Safety Plans have not been developed. The Division Grant Manager indicated the Contingency Plan and site-specific Health and Safety Plans were expected to be developed and followed by Host County as outlined in the Agreement Work Plan, but were not required to be submitted to the Division.

Noted Agreement and Submitted Document Errors

During the course of this review, the following errors were noted in the Agreement and submitted documents. Based on Task 1 and Task 2 detail budget by category allowances in the Agreement Grant Work Plan, three salary errors totaling \$549.26 were identified when calculating staff salaries. In addition, the Agreement Grant Work Plan indicates the Grantee shall perform Task 1 activities in Sumter County rather than Jefferson County, Madison County, or Wakulla County. The Pay Request Summary Form listed the Agreement amount incorrectly as \$50,000 rather than \$52,000. The Division Grant Manager indicated the above errors appeared to be clerical.

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According to the Agreement Work Plan, Task 1 and Task 2, Performance Standard, *the deliverable will be reviewed by the Department Grant Manager to verify the events/activities were properly conducted.* The Wakulla County Event Report dated December 21, 2015 reflected an incorrect date of October 11, 2014, rather than October 24, 2015. On the above Event Report, one staff's name was different when compared to the submitted invoice. Based on the Event Report for Wakulla County on April 30, 2016, one staff's hours were not listed on the invoice. Per the Host County Grant Manager, the above errors were due to clerical oversight.

Findings and Recommendations

Finding 1: Agreement Compliance

Section 3(E)(5) of the Agreement states, *the Grantee shall utilize attachment D, Progress Report Form, to describe the work performed during each quarterly reporting period, problems encountered, problem resolution, schedule updates and proposed work for the next reporting period. Quarterly Reports shall be submitted to the Department's Grant Manager no later than twenty (20) days following the completion of the quarterly reporting period.* We obtained the Quarterly Progress Report dated October 1, 2015 to December 30, 2015. Per the Division Grant Manager, the first Quarterly Progress Report was not submitted due to the delayed execution date of September 15, 2015. The two remaining Quarterly Progress Reports were not provided by the Host County.

Under Task 1, the Host County was required to *develop and follow an operational site-specific health and safety plan for the cooperative collection event to ensure that waste is managed in a safe working environment to minimize the risk of injury, accidents, and spills; and*

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that only waste generated by CESQGs and household is accepted at the event. According to the Host County Grant Manager, the Contingency Plan was used for Events, as site-specific Health and Safety Plans had not been developed. This plan did not address processes or requirements for safety at cooperative collection events as described above.

Recommendation:

We recommend the Division work with the Host County in the future to ensure Quarterly Progress Reports are submitted as required prior to invoice payment. We also recommend the Division verify Host County site-specific Health and Safety Plans prior to each Event.

Finding 2: Noted Agreement and Submitted Document Errors

We noted several errors in the Agreement and submitted documents. Under Task 1 and Task 2 detail budget by category, three salary errors totaling \$549.26 were identified when calculating staff allowances. In addition, under Task 1 the detail budget by category cost was inconsistent with the maximum cost budget. Additionally, the Agreement Grant Work Plan Task 1 list activities to be performed in an unrelated county.

We also noted errors in Host County submitted documents. These included an incorrect Agreement amount on the Payment Request Summary Form, and incorrect Event staff names, hours, and dates on Event reports.

While the above may be due to unintended documentation errors, inaccurate information and calculations included in a formal Agreement expose program funds to inconsistent interpretation. Payment for reimbursement requests containing Event Report and billing errors indicates weaknesses in Agreement oversight.

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Recommendation:

We recommend the Division take steps to ensure the accuracy of information and budget amounts included in the Agreements prior to execution. In addition, Division Grant Management should verify the information submitted by the Host County accurately supports activities performed under the Agreement prior to payment.

Management Comment

Advertising and Distribution of Public Awareness Information

Upon review, the Host County performed minimal requirements in the Agreement regarding advertising and the distribution of public awareness information, which effects the awareness of the Events. Based on Task 1, Hazardous Waste Collection in Neighboring County, Section 3 in the Grant Work Plan, the Host County is required to *assist the neighboring county with advertising the event and distributing public awareness information on proper hazardous waste management to local media, schools, agricultural agents, realtor associations, civic service organizations, and to Earth 911 via their website at www.Earth911.org*. According to the Host County Grant Manager, newspaper advertising was the only form of public distribution used during the Agreement period. No other public awareness information was circulated by the Host County regarding hazardous waste management to the local media, schools, agricultural agents, realtor associations, civic service organizations, and on the website at www.Earth911.org. To maximize the benefit of the Events to the local communities, the Division should actively work with the Host County to promote broader public awareness, advertising, and media coverage as specified under Task 1.

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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 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*



Florida Department of Environmental Protection

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

Rick Scott
Governor

Carlos Lopez-Cantera
Lt. Governor

Ryan E. Matthews
Interim Secretary

Memorandum

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

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

A handwritten signature in black ink, appearing to read "F. Joseph Ullo, Jr.", is placed to the right of the "FROM:" line.

SUBJECT: Response to Preliminary Audit Report A-1617DEP-015
Jefferson County Hazardous Waste Cooperative Collection Center Grant S0836

DATE: June 20, 2017

The Division of Waste Management has reviewed the Audit of the Jefferson County Hazardous Waste Cooperative Collection Center Grant, Report A-1617DEP-015. The Division concurs with the Findings and Recommendations presented in the preliminary report with regard to hazardous waste collection services provided by Jefferson County.

Office of Inspector General Findings and Recommendations:

Finding 1: Agreement Compliance

Section 3(E)(5) of the Agreement states, "*the Grantee shall utilize attachment D, Progress Report Form, to describe the work performed during each quarterly reporting period, problems encountered, problem resolution, schedule updates and proposed work for the next reporting period. Quarterly Reports shall be submitted to the Department's Grant Manager no later than twenty (20) days following the completion of the quarterly reporting period.*" We obtained the Quarterly Progress Report dated October 1, 2015 to December 30, 2015. Per the Division Grant Manager, the first Quarterly Progress Report was not submitted due to the delayed execution date of September 15, 2015. The two remaining Quarterly Progress Reports were not provided by the Host County.

Under Task 1, the Host County was required to *develop and follow an operational site-specific health and safety plan for the cooperative collection event to ensure that waste is managed in a safe working environment to minimize the risk of injury, accidents, and spills; and that only waste generated by CESQGs and household is accepted at the event. According to the Host County Grant Manager, the Contingency Plan was used for Events, as site-specific Health and*

Safety Plans had not been developed. This plan did not address processes or requirements for safety at cooperative collection events as described above.

Recommendation:

We recommend the Division work with the Host County in the future to ensure Quarterly Progress Reports are submitted as required prior to invoice payment. We also recommend the Division verify Host County site-specific Health and Safety Plans prior to each Event.

Division Response:

The Division will work with the Host County to ensure prompt submission of Quarterly Progress Reports as required by the agreement prior to invoice payment. The Division will also require the Host County to prepare and submit both an operational and contingency plan, and a site-specific Health and Safety plan to the Grant Manager for review prior to invoice payment.

Finding 2: Noted Agreement and Submitted Document Errors

We noted several errors in the Agreement and submitted documents. Under Task 1 and Task 2 detail budget by category, three salary errors totaling \$549.26 were identified when calculating staff allowances. In addition, under Task 1 the detail budget by category cost was inconsistent with the maximum cost budget. Additionally, the Agreement Grant Work Plan Task 1 list activities to be performed in an unrelated county.

We also noted errors in Host County submitted documents. These included an incorrect Agreement amount on the Payment Request Summary Form, and incorrect Event staff names, hours, and dates on Event reports.

While the above may be due to unintended documentation errors, inaccurate information and calculations included in a formal Agreement expose program funds to inconsistent interpretation. Payment for reimbursement requests containing Event Report and billing errors indicates weaknesses in Agreement oversight.

Recommendation:

We recommend the Division take steps to ensure the accuracy of information and budget amounts included in the Agreements prior to execution. In addition, Division Grant Management should verify the information submitted by the Host County accurately supports activities performed under the Agreement prior to payment.

Division Response:

The Division will take steps to improve the accuracy of information submitted to the agency under the terms of the Agreement including additional review by Division staff both prior to execution and during the performance period of the Agreement.

Management Comment

Advertising and Distribution of Public Awareness Information

To maximize the benefit of the Events to the local communities, the Division should actively work with the Host County to promote broader public awareness, advertising, and media coverage as specified under Task 1.

Division Response:

To maximize the benefit of the Events to the local communities, the Division will actively work with the Host County to promote broader public awareness, advertising, and media coverage as specified under the Agreement, and will require proof of performance prior to invoice payment. The Division will notify Keep Florida Beautiful (KFB) of all collection events and work with them to have the events posted on their social media outlets, calendar of events, and the KFB website.