



## **Audit of Grant Monitoring**

**Project #20-04**

**Prepared by**

Office of the Inspector General

**J. Timothy Beirnes, CPA, Inspector General**

**Alyassia Taylor, CISA, CIGA, CGAP, Lead Consulting Auditor**



# SOUTH FLORIDA WATER MANAGEMENT DISTRICT

April 8, 2021

Governing Board Members

Re: Audit of Grants Monitoring -  
*Project No. 20-04*

This audit was performed pursuant to the Inspector General's authority set forth in Chapter 20.055, F.S. Our audit objective primarily focused on assessing the effectiveness of the District's grant monitoring processes in ensuring that grantees adhered to the provisions of the grant agreements. Alyassia Taylor and I prepared this report.

Sincerely,

A handwritten signature in blue ink, reading "J. Timothy Beirnes".

J. Timothy Beirnes, CPA  
Inspector General

---

## TABLE OF CONTENTS

<b>BACKGROUND .....</b>	<b>1</b>
<b>OBJECTIVE, SCOPE, AND METHODOLOGY .....</b>	<b>2</b>
<b>AUDIT RESULTS .....</b>	<b>3</b>
<b>Executive Summary .....</b>	<b>3</b>
<b>Grants Appear to Be Monitored Adequately .....</b>	<b>4</b>

---

## **BACKGROUND**

The District provides grant funding to local areas through the Cooperative Funding Program (CFP). The District Governing Board (GB) approved \$9 million one-time funding for a Cooperative Funding Program (CFP or “program”). The objective is to assist local governments, public and private water providers and other entities with the construction or implementation of stormwater management, alternative water supply and water conservation projects that support or compliment the South Florida Water Management District’s (District) mission. In 2016, the District awarded grants to local areas for three programs:

- **Water Conservation (WC):** WC projects are associated with the use of hardware and/or technology to increase water use efficiency.
- **Stormwater Management (SM):** SM projects are typically associated with water quality improvements, infrastructure improvement, natural system restoration, storage, and flood protection. SM projects should also focus on improving water quality and the quantity, distribution, or timing of flows.
- **Alternative Water Supply (AWS):** AWS projects are associated with development of non-traditional water sources and/or storage to meet current and future demands for water.

The different programs are headed by Project Managers in two areas of the District. During Fiscal Years 2016 – 2019, the District approved funding for 74 projects, totaling \$10,901,500.

The last Grant Monitoring audit was conducted in Fiscal year 2012. There were 2 recommendations made in the audit: to revise the Grant Monitoring Policies and Procedures; and implement a cost reimbursement payment method for grants where physical observation of the grant deliverables is impractical. Both recommendations were implemented and appeared to be in place during this current audit.

---

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

Our audit will assess the effectiveness of the District's grant monitoring processes in ensuring that grantees adhere to the provisions of the grant agreements.

To accomplish our objectives, our work included, but was not limited to, the following steps:

- Interviewing pertinent District staff;
- Reviewing Grant Monitoring policies and procedures;
- Reviewing controls over the Grant monitoring process; and
- Reviewing grant documentation for compliance with procedures and accurate payment practices.

The audit scope covers grants in agreement from October 1, 2018 through December 31, 2019.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

---

## **AUDIT RESULTS**

### **Executive Summary**

Overall, controls over the District's grant monitoring functions appear in place and working effectively. We found that the disbursements for the grants reviewed were sufficiently supported by documentation and in compliance with grant agreements. Reimbursements to grantees appear to be reviewed by project managers and procurement staff prior to remittance. We noted that grant documentation for each project was clearly labeled and made easily available, and that the grant monitors are reviewing documentation and are also conducting site visits adequately.

We reviewed the documentation for 36 grants awarded between 2016 and 2019, totaling \$6,215,090. Documentation included, but was not limited to payment vouchers, site visit pictures, progress reports, and correspondence. Due to the restrictions on the District, visiting grant sites was not possible. As an alternative procedure we reviewed photographs and correspondence on grant projects, which enabled the auditor to note progress on each project.

---

## Grants Appear to Be Monitored Adequately

The projects in the grant program appeared to be monitored sufficiently. We found that all payments tested were accurately documented and substantiated by the grantee. We reviewed the documentation for 36 grants awarded between 2016 and 2019, totaling \$6,215,090. Documentation included, but was not limited to payment vouchers, site visit pictures, progress reports, and correspondence. Due to the restrictions on the District put in place with COVID 19, visiting grant sites was not possible. Grant documentation included photographs and reports of the grant sites, which allowed the auditor to view the sites and gauge completion of the grant projects, as an alternative to site visits.

Grant payments are made on a reimbursement basis. To receive funds, the grantee must submit documentation showing compliance with the grant terms. This documentation is reviewed by the project manager, and payment is then authorized and remitted through the procurement division.

Reimbursement occurs for only allowable costs:

- Stormwater Management: Construction costs, including control structures, drainage catch basin, exfiltration trenches, stormwater treatment areas, stormwater catch basin inserts or other stormwater conveyance system features.
- Alternative Water Supply allowable costs include:
  - Alternative water supply raw water transmission lines
  - Reclaimed water storage tanks
  - Reverse Osmosis trains, pumps, and associated appurtenances
  - Aquifer Storage and Recovery wells, brackish water production wells, concentrate disposal wells associated with development of an Alternative Water Supply source.
- Water Conservation allowable costs include:
  - High efficiency toilet retrofits and/or rebates
  - Automatic line flushing devices and/or hydrant flushing devices
  - Pre-rinse spray valves
  - Irrigation retrofits, including soil moisture sensors, rain sensors, irrigation head upgrades, etc.
  - Other hardware and /or technology-based project that increases water efficiency.

---

In addition to the payment documentation, grantees are required to compile status reports which show progress on the project. We noted that the supporting documentation for each grant that received reimbursement payments included status reports and correspondence with project managers.