

**WATER DEPARTMENT
ENVIRONMENTAL COMPLIANCE
AUDIT 18-16
NOVEMBER 13, 2018**



CITY OF TAMPA

Bob Buckhorn, Mayor

Internal Audit Department

Christine Glover, Internal Audit Director

November 13, 2018

Honorable Bob Buckhorn
Mayor, City of Tampa
1 City Hall Plaza
Tampa, Florida

RE: Environmental Compliance - Water, Audit 18-16

Dear Mayor Buckhorn:

Attached is the Internal Audit Department's report on Environmental Compliance - Water.

The Water Department has already taken positive actions in response to our recommendations. We thank the management and staff of the Engineering, Distribution and Consumer Services, and Production Divisions for their cooperation and assistance during this audit.

Sincerely,

/s/ Christine Glover

Christine Glover
Internal Audit Director

cc: Dennis Rogero, Chief of Staff
Sonya Little, Chief Financial Officer
Ernest Mueller, Chief Assistant City Attorney
Brad Baird, Administrator of Public Works and Utility Services
Chuck Weber, Director of Water Department

**WATER DEPARTMENT
ENVIRONMENTAL COMPLIANCE
AUDIT 18-16
NOVEMBER 13, 2018**

/s/ Vivian Walker

Auditor

/s/ Christine Glover

Audit Director

**WATER DEPARTMENT
ENVIRONMENTAL COMPLIANCE
AUDIT 18-16**

BACKGROUND

The Water Department (Department) has three divisions: Engineering, Distribution and Consumer Services, and Production. Each division has various types of required environmental compliance:

- **Engineering** – Manhattan Landfill, new water connections, and the Public Supply Annual Report (Southwest Florida Water Management District Water Use Permit reporting compliance).
- **Distribution and Consumer Services** – Boil Water Notices, clearances for commercial connections, backflow issues, gasoline/propane storage for vehicle use.
- **Production** – Safe Drinking Water Act (SDWA), month-end reporting for Department of Environmental Protection (DEP), permitting for aquifer storage and recovery wells, permitting for solids processing, tank inspections, and the Spill, Prevention, Control, and Countermeasure (SPCC) plan.

Environmental compliance is a direct result of the SDWA. SDWA was originally passed by Congress in 1974 to protect public health by regulating the nation’s public drinking water supply. It requires many actions to protect drinking water and its sources — rivers, lakes, reservoirs, springs, and ground water wells.¹

The Manhattan Landfill, Southwest Florida Water Manage District water use permit, gasoline/propane storage, permitting for aquifer storage and recovery wells, solids processing permitting, some tank inspections, and the SPCC plan are environmental compliance requirements that result from different environmental laws and regulations including Department of Environmental Protection Florida Administrative Code (FAC) 62-550.730, FAC 62-528, FAC 62-620, FAC 62-555-350, 40 Code of Federal Regulation (CFR) 112, and Occupational Safety and Hazard Administration Standard 1926.152.

STATEMENT OF OBJECTIVE

This audit was conducted in accordance with the Internal Audit Department's FY 2018 Audit Agenda. The objective of this audit was to ensure that the system of internal controls related to compliance with environmental requirements is adequate.

STATEMENT OF SCOPE

The audit period covered Department activity that occurred calendar years 2017 and 2018. Tests were performed to determine whether Department personnel were fulfilling their stated duties and responsibilities in an effective and efficient manner. Original records as well as copies were used as evidence and verified through observation and physical examination.

¹ The LAW - An overview “*Understanding the Safe Drinking Water Act*” – www.epa.gov/safewater

STATEMENT OF METHODOLOGY

Interviews with employees involved with regulatory reporting for all divisions were conducted to understand how data is obtained and submitted. Additionally, to determine if operators of equipment used to produce water were properly licensed, the list of operators was compared to a State of Florida database. Examples of the regulatory reports submitted to various agencies were reviewed and if internally generated, the software was evaluated. In FY16 an audit for Water Production (16-04) evaluated both the Supervisory Control and Data Acquisition and Laboratory Information Management System software systems and determined the data to be reliable.

STATEMENT OF AUDITING STANDARDS

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.

NOTEWORTHY ACCOMPLISHMENTS

The Department is monitored by the State of Florida’s Department of Health (DOH) through Sanitary Surveys. The Department should be commended for no major violations or fines being imposed by the DOH since 2010.

AUDIT CONCLUSION

Based upon the work performed during the planning phase and the audit findings noted below, we conclude that the system of internal controls related to compliance with environmental requirements is adequate. However, improvements to enhance the controls are needed.

COORDINATION OF REGULATORY REPORTING

STATEMENT OF CONDITION: Currently, all divisions of the Department have some type of regulatory reporting requirement. However, there is no process in place that assigns responsibility to an area or individual to ensure compliance.

CRITERIA: Prudent business practices would include implementing a monitoring function as a proactive method for ensuring compliance with regulatory requirements in a timely manner.

CAUSE: No centralized monitoring function.

EFFECT OF CONDITION: Without a centralized function, the risk for penalties due to non-compliance or an untimely submittal of a regulatory requirement increases.

RECOMMENDATION 1: Department management should consider establishing a centralized function that would be responsible for ensuring compliance with all regulatory requirements.

MANAGEMENT RESPONSE: Management agrees with the recommendation and will establish a centralized function utilizing the Director's Executive Aide. The Executive Aide will monitor reporting status, send reminders and report on that status of all compliance reporting. Other department positions, that are responsible for sending the reports, will remain accountable for timely submission of the reports as well as providing up-to-date information to the Executive Aide.

TARGET IMPLEMENTATION DATE: January 1, 2019

SPILL PREVENTION CONTROL AND COUNTERMEASURE PLAN

STATEMENT OF CONDITION: The City of Tampa has a SPCC that is required by the Environmental Protection Agency (EPA). However, the Plan is required to be approved by management "at a level of authority to commit the necessary resources to fully implement the plan." The Plan was signed by the Security and Safety Coordinator.

CRITERIA: EPA - 40CFR Section 112.7 - General requirements for the SPCC states that the owner or operator of a facility must prepare a plan. Additionally, the SPCC is required to have "full approval of management at a level of authority to commit the necessary resources to fully implement the Plan."

CAUSE: Prior management delegated the responsibility to the current position signing the plan.

EFFECT OF CONDITION: Non-compliance with the requirements of the CFR.

RECOMMENDATION 2: Management should ensure the individual signing the SPCC for "Management Approval" meets the requirement of the referenced CFR. If the individual is different from the current signer, the Plan should be revised to reflect the appropriate individual's signature.

MANAGEMENT RESPONSE: After reading the passages we concur that a higher level of authority should sign this document. The Production Manager will sign the appropriate areas in the SPCC plan document.

COMPLETION DATE: August 28, 2018

POLICIES AND PROCEDURES

STATEMENT OF CONDITION: The Department is in the process of updating their existing policies and procedures. However, the existing policies and procedures do not include the following processes that are currently being followed:

- New Water Connection – In-house and Developer Design
- New Water Connection Inspections – In-house and Developer Design
- Quality Assurance / Quality Control Review (QA/QC) for Production Regulatory Reporting

CRITERIA: City Code Section 2-46 requires departments to "create and maintain all records with adequate and proper documentation of the organization, together with the functions, policies, decisions, procedures, and essential transactions, of the department."

CAUSE: Implementation of new processes due to management changes.

EFFECT OF CONDITION: Non-compliance with City Code and increased likelihood of processes not being completed as required.

RECOMMENDATION 3: Management should ensure the revised policy and procedures manual includes all aspects of their operations especially for those activities requiring regulatory reporting.

MANAGEMENT RESPONSE: Management agrees with the recommendation. Management will revise the policy and procedures manual to incorporate the three processes described above by July 1, 2019. Management will continue to collect, codify and standardize policies and procedures as part of the Document Control Policy that has been implemented as part of the Asset Management Program. These policies and procedures included all activities requiring regulatory reporting.

TARGET IMPLEMENTATION DATE: July 1, 2019