



Florida Department of TRANSPORTATION

Office of Inspector General Kristofer B. Sullivan, Inspector General

Audit Report No. 211-006
Gainesville MTPO

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Kristofer B. Sullivan
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October 14, 2022

What We Did

The Florida Department of Transportation's (Department) Office of Inspector General (OIG) conducted an audit of the Gainesville Metropolitan Transportation Planning Organization (Gainesville MTPO), a District Two (District) subrecipient of the Department, to determine whether the Gainesville MTPO has submitted invoices to the District in accordance with federal and Department directives. This audit was conducted as a part of the fiscal year (FY) 2020-21 Audit Plan. The scope of this audit was the Gainesville MTPO's grants for FY 2018-20.

What We Found

We determined that Gainesville MTPO is submitting invoices for planning grants G0U69 and G1N92 to the District in compliance with federal and Department governing directives. Gainesville MTPO's expenses are allowable, necessary, reasonable, and allocable in accordance with Title 2, Part 200, Code of Federal Regulations (C.F.R.)- Unified Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E-Cost Principles. Gainesville MTPO has an Agreement for Professional Staff Services in compliance with subsection 339.175 (2)(b), Florida Statutes, (F.S.) (2021), and contractual agreements with the Department in compliance with subsection 339.175(10)(a)(1), F.S., (2021).

We observed an opportunity for improvement by Gainesville MTPO regarding policies and procedures for the creation and submission of invoice packages which includes a comprehensive review prior to signature certification. We selected 15 invoices for review. For each invoice, we tested against three different criteria, for a total of 45 and determined Gainesville MTPO correctly completed 41 of 45 criteria. Gainesville MTPO did not correctly complete four criteria; however, the materiality of the four criteria did not warrant a finding.

What We Recommend

We have no recommendation at this time, as we determined Gainesville MTPO's invoices and expenses reviewed to be in compliance.

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BACKGROUND AND INTRODUCTION

Metropolitan Planning Organization (MPO) Background

In 1973, the Federal-Aid Highway Act mandated the creation or designation of Metropolitan Planning Organization (MPO) for urbanized areas with populations greater than 50,000 people. The MPO's role is to develop and maintain the required transportation plans for a metropolitan area to ensure that federal funds support local priorities. The four primary functions of an MPO are as follows: develop and maintain a Long-Range Transportation Plan (LRTP); update and approve a Transportation Improvement Program (TIP); develop and adopt a Unified Planning Work Program (UPWP); and prepare a Public Participation Plan (PPP).

Funding for MPOs is provided by the Federal Highway Administration (FHWA) Metropolitan Planning (PL) funds that are authorized in each Surface Transportation Act. PL funds are distributed through a formula developed by the Florida Department of Transportation (Department) in consultation with the MPOs and approved by the FHWA.

Gainesville Metropolitan Transportation Organization (Gainesville MTPO) Background

Gainesville MTPO was established April 1, 1978, pursuant to subsection 163.01, Florida Statutes, (F.S.) (2021). It is responsible for transportation system planning within the Gainesville Metropolitan Area as specified in subsection 339.175, (F.S.) (2021). Gainesville MTPO is comprised of 12 voting members. The voting members include: the Mayor, six City of Gainesville Commissioners, and the five Alachua County Commissioners. Technical Advisors to Gainesville MTPO include: The University of Florida President (or his/her designee), a Rural Advisor designated by the Alachua County League of Cities, and the Department's District Two Secretary (or his/her designee).

Federal funding for highway, transit, bicycle, and pedestrian planning for Gainesville MTPO is provided by the FHWA and Federal Transit Administration (FTA). The Department matches these federal funds with both cash and in-kind services. The Alachua County Board of County Commissioners and the Gainesville City Commission provide a local cash match.

The North Central Florida Regional Planning Council (Council) provides staff services for day-to-day transportation planning expertise and implements policy decisions to Gainesville MTPO for the Gainesville Urbanized Area. The Council provides Gainesville MTPO three staff members.¹

¹ Gainesville MTPO is led by an Executive Director and supported by two Senior Transportation Planners.

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Relationship of Gainesville MTPO to the Department

The Department is a decentralized State agency in accordance with legislative mandates. Gainesville MTPO is located in District Two. Cooperative planning efforts occur between the Department and Gainesville MTPO. To manage MTPO PL funds that pass through the Department, District Two (District) assigns an MPO Liaison to be the grant manager and ensure that Gainesville MTPO is operating in accordance with federal, state, and Department governing directives. The Office of Policy Planning is responsible for providing monitoring and guidance to the MPO Liaison.

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RESULTS OF REVIEW

The objective of our audit was to determine whether Gainesville MTPO has submitted invoices for planning grants G0U69 and G1N92 to the District in accordance with federal, and Department governing directives.

Finding 1: Invoice Compliance

We determined that Gainesville MTPO is submitting invoices for planning grants G0U69 and G1N92 to the District in compliance with federal and Department governing directives. Gainesville MTPO's expenses are allowable, necessary, reasonable, and allocable in accordance with Title 2, Part 200, Code of Federal Regulations (C.F.R.)- Unified Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E-Cost Principles. Gainesville MTPO has an Agreement for Professional Staff Services in compliance with subsection 339.175(2)(b), Florida Statutes, (F.S.) (2021) and contractual agreements with the Department in compliance with subsection 339.175(10)(a)(1), F.S., (2021).

We reviewed eight invoices for Contract G0U69 and seven invoices for Contract G1N92. We tested each expense for all 15 invoices charged to the Department and the supporting documentation submitted to the District for compliance with 2 C.F.R. 200, Subpart E, subsections 403, 404, and 405. We determined that each expense on the 15 invoices was allowable as per 2 C.F.R. 200.403, reasonable as per 2 C.F.R. 200.404, allocable as per 2 C.F.R. 200.405, and necessary as per 2 C.F.R. 200.405(a)(3).

There were no recommendations for this finding. However, an observation was made regarding invoice packages.

Observation 1: Invoice Packages Review

We observed an opportunity for improvement by Gainesville MTPO regarding policies and procedures for the creation and submission of invoice packages which includes a comprehensive review prior to signature certification.

We selected 15 invoices for review. For each invoice, we tested against three different criteria, for a total of 45, and determined Gainesville MTPO correctly completed 41 of 45 criteria. Gainesville MTPO did not correctly complete four criteria; however, the materiality of the four criteria did not warrant a finding.

Overall, the following criteria was tested:

- 2 C.F.R. 200.400;
- 2 C.F.R. 200.403;
- 2 C.F.R. 200.404;
- 2 C.F.R. 200.405;
- 2 C.F.R. 200.405(a)(3);
- 2 C.F.R. 200.415(a);
- subsection 339.175(2)(b), F.S.;

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- subsection 339.175(10)(a)(1), F.S.;
- Metropolitan Transportation Planning Organization Agreement Contract G0U69;
- Metropolitan Transportation Planning Organization Agreement Contract G1N92;
- Agreement for Professional Staff Services by and between North Central Florida Regional Planning Council and the Gainesville Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area;
- MPO Handbook Section 3.2 - Authority; and
- MPO Handbook Section 3.10.1(a-m) - MPO Invoicing.

Additional details regarding these criteria can be found in Attachment 1.

Metropolitan Transportation Planning Organization Agreement Contract G0U69

Eight invoices were reviewed for Contract G0U69 and tested on three different criteria per invoice. Overall, Gainesville MTPO complied with 21 of 24 criteria tested for Contract G0U69.

All eight invoices for G0U69 were submitted within 90 days of the end of the reporting period and are in compliance with the MPO Handbook Section 3.10 MPO Invoicing.

Seven of the eight invoice packages listed a correct invoice period. Invoice FHWA-G0U69 – 2 did not list the correct invoice period as required by MPO Handbook Section 3.10.1(d). The invoice period is listed as 7/1/18 - 9/30/18. The correct invoice period was 10/1/18 - 12/31/18.

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We observed six of eight invoice Certification Signature Dates complied with MPO Handbook requirements as detailed below in Table 1. The MPO Handbook Section 3.10.1(m) states the invoice shall contain a signature by an authorized MPO official affirming the location of the supporting documentation. 2 C.F.R. 200.415(a) states in part that, "the MPO invoice packages must be true, complete, and accurate..." To accurately affirm the invoice package, the Certification Signature Date would have to occur at the end of the invoice period. The Certification date on invoices 6 and 8 was prior to the end of the billing period as noted in Table 1. The incorrect signature date is a result of using the prior invoice submission as a template and not updating the signature certification date.

Table 1 - Contract G0U69 Certification Signature Date Compliance

Invoice No.	Invoice Period	Certification Date	Request for Payment Certification Signature Date Compliance Yes/No
FHWA-G0U69 - 1	07/01/2018 - 09/30/2018	10/30/2018	Yes
FHWA-G0U69 - 2	10/01/2018 - 12/31/2018	03/29/2019	Yes
FHWA-G0U69 - 3	01/01/2019 - 03/31/2019	06/28/2019	Yes
FHWA-G0U69 - 4	04/01/2019 - 06/30/2019	08/14/2019	Yes
FHWA-G0U69 - 5	07/01/2019 - 09/30/2019	10/30/2019	Yes
FHWA-G0U69 - 6	10/01/2019 - 12/31/2019	10/30/2019	No
FHWA-G0U69 - 7	01/01/2020 - 03/31/2020	04/30/2020	Yes
FHWA-G0U69 - 8	04/01/2020 - 06/30/2020	04/30/2020	No

Source: Gainesville invoices submitted to District Two

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Metropolitan Transportation Planning Organization Agreement Contract G1N92

Seven invoices were reviewed for Contract G1N92 and tested on three different criteria per invoice. Overall, Gainesville MTPO complied with 20 of 21 criteria tested for contract G1N92.

The 90-day submission compliance criteria apply to invoices 1, 2, 3, 5, and 7 billing for planning funds and not for invoices 4 and 6 billing for the Long-Range Planning Grant (Surface Transportation Block Grant). Six of the seven invoices for G1N92 were submitted within 90 days of the end of the reporting period as required by the MPO Handbook – Section 3.10 as noted below in Table 2. Invoice FHWA-G0U69 - 2² was submitted 47 days past the 90-day submission period.

Table 2 - Contract G1N92 Invoice Compliance

Invoice #	Invoice Period	Date Invoice Received by District	Days past 90-day	Invoice Submission Compliance Yes/No
FHWA-G0U69 - 1	07/01/2020 - 09/30/2020	11/16/2020	N/A	Yes
FHWA-G0U69 - 2	10/01/2020 - 12/31/2020	05/17/2021	47 days	No
FHWA-G0U69 - 3	01/01/2021 - 03/31/2021	05/19/2021	N/A	Yes
FHWA-G0U69 - 4	10/01/2020 - 12/31/2020	07/01/2021	N/A	Yes
FHWA-G1N92 - 5	04/01/2021 - 06/30/2021	08/02/2021	N/A	Yes
FHWA-G1N92 - 6	04/01/2021 - 06/30/2021	08/03/2021	N/A	Yes
FHWA-G1N92 - 7	04/01/2021 - 06/30/2021	08/17/2021	N/A	Yes

Source: Gainesville invoices submitted to District Two

All seven invoices comply with MPO Handbook Section 3.10 for both invoice period dates and invoice Certification Signature dates.

The Office of Policy Planning Administrator could consider providing refresher training regarding the invoice reimbursement process and creating a quality assurance review process. Additionally, District Two MPO Liaison may consider working with Gainesville MTPO's Executive Director to update their policies and procedures to confirm they are sufficient to ensure invoices are filed in a timely manner and are accurate.

² The first four invoices submitted to the district for Grant FHWA-G1N92 listed the incorrect grant number of G0U69 instead of G1N92. This was corrected with the submission of invoice five.

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APPENDIX A – Purpose, Scope, and Methodology

The **purpose** of this engagement was to determine whether Gainesville MTPO has submitted invoices to the District in accordance with federal and Department governing directives.

The **scope** of this audit was Federal Highway Administration (FHWA) Planning (PL) funds for grants G0U69 and G1N92.

The **methodology** included:

- Reviews of statutes, regulations, policies, and procedures:
 - Federal and State statutes and Departmental governing directives.
- Documentation reviews:
 - Department MPO Program Management Handbook;
 - Agreement for Professional Staff Services by and between North Central Florida Regional Planning Council and the Gainesville Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area;
 - Unified Planning Work Program (UPWP) for Metropolitan Transportation Planning Organization Agreement Contract G0U69 and Metropolitan Transportation Planning Organization Agreement Contract G1N92 (FY's 2020-21);
 - Metropolitan Transportation Planning Organization Agreement Contract G0U69;
 - Metropolitan Transportation Planning Organization Agreement Contract G1N92; and
 - Single audit reports for Gainesville MTPO for 2016, 2017, 2018, and 2019.
- Interviews with staff members:
 - Department District Two Staff; and
 - Gainesville MTPO Staff.

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APPENDIX B – Affected Entity Response

Pursuant to the provisions of Section 20.055(6)(e), Florida Statute, the draft report was sent to the Gainesville MTPO on June 27, 2022, to review for errors of composition or fact along with the option to submit with a written response within 20 working days or by July 26, 2022. The Gainesville MTPO Executive Director questioned the observation; however, after further review of documentation provided by the District, we determined the information was accurate. Gainesville MTPO was provided an additional week to respond and we have not received a response.

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APPENDIX C – Management Response

On September 27, 2022, the OIG received an email response from Mike Neidhart, Metropolitan Planning Administrator, indicating that the Office of Policy Planning had no response to the report.

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PROJECT TEAM

Engagement was conducted by:
Fernando Mojica, Auditor

Under the supervision of:
Andrea Sistrunk, Senior Audit Supervisor
Jessica Mobley, Deputy Audit Director for Intermodal
Joseph W. Gilboy, Director of Audit

Approved by:
Kristofer B. Sullivan, Inspector General

STATEMENT OF ACCORDANCE

The Department's mission is to provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities.

The Office of Inspector General's mission is to provide independent and objective investigative and audit services that promote accountability, integrity, and efficiency within the Florida Department of Transportation and its partners.

This work product was prepared pursuant to section 20.055, Florida Statutes, in accordance with the Association of Inspectors General *Principles and Standards for Offices of Inspector General*, and conforms with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

Please address inquiries regarding this report to the Department's Office of Inspector General at (850) 410-5800.

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ATTACHMENT 1 – Criteria Tested

- 2 C.F.R. 200.400 Part E – Cost Principles.
- 2 C.F.R. 200.403: A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- 2 C.F.R. 200.404: Outlines how reasonable costs should be determined. In determining reasonableness, consideration must be given to:
 - Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.
 - The restraints or requirements imposed by such factors as: sound business practices; arm’s-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award.
 - Market prices for comparable goods or services for the geographic area.
 - Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.
 - Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award’s cost.
- 2 C.F.R. 200.405: Outlines how allocable costs should be determined. A cost is allocable if the cost:
 - Is incurred specifically for the Federal award.
 - Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods.
- 2 C.F.R. 200.405(a)(3): Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles of this subpart.
- 2 C.F.R. 200.415(a): To assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the non-Federal entity, which reads as follows: “By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims, or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).”

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- Metropolitan Transportation Planning Organization Agreement Contract G0U69 - Agreement between MPO and FDOT defining the responsibilities for carrying out transportation planning requirements for the FHWA portion of the Metropolitan Planning Process.
- Metropolitan Transportation Planning Organization Agreement Contract G1N92 - Agreement between MPO and FDOT defining the responsibilities for carrying out transportation planning requirements for the FHWA portion of the Metropolitan Planning Process.
- Agreement for Professional Staff Services by and between North Central Florida Regional Planning Council and the Gainesville Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area.
- Florida Statutes (F.S.):
 - Subsection 339.175(2)(b), F.S. - Each MPO designated in a manner prescribed by Title 23 of the United States Code shall be created and operated under the provisions of this section pursuant to an interlocal agreement entered into pursuant to s.163.01.
 - Subsection 339.175(10)(a)(1), F.S. - The MPO is required to establish in writing "[a]n agreement with the department clearly establishing the cooperative relationship essential to accomplish the transportation planning requirements of state and federal laws".
- Metropolitan Planning Handbook (MPO Handbook), April 30, 2021
 - MPO Handbook Section 3.2 - Authority - lists the federal and state statutes, regulations, and rules related to the development of the Unified Planning Work Program (UPWP) document for MPOs.
 - MPO Handbook Section 3.10 - MPO Invoicing - Invoices are due to the District within 90 days after the end of the reporting period, and final reports are due 90 days after the end of the second year of the two-year UPWP. The invoice package shall include:
 - an invoice, using the required format reflected in the section below;
 - an itemized expenditure detail report; and
 - a progress report should contain the following:
 - each FHWA and FTA fund task separately;
 - a comparison of actual performance with established goals; and
 - a description of progress in meeting schedules and milestones.
 - MPO Handbook Section 3.10.1 - Invoice - This section outlines the requirements of invoice packages as listed below:
 - MPO Name and contact information, including address, phone, and fax number (a);
 - district contact information (b);
 - invoice number, using the following format: *FHWA- [Agreement Number]- [Invoice Number]* (for example, FHWA-G001-01, FHWA-G001-02, etc.) (c);
 - invoice period (d);
 - contract number, including amendment number and modification number (e);
 - amount due by Financial Project Number (f);

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- a listing of the tasks in the UPWP (g);
- the amount due by UPWP task and by fund type (h);
- the amount of FHWA funds due by UPWP task (i);
- the amount of previous payments of FHWA funds by UPWP task (j);
- the amount of FHWA funds budgeted by task in the UPWP (k);
- column totals (l); and
- the Request for Payment Certification, signed by an authorized MPO official, and reflecting the location of the supporting documentation for the invoice (m).